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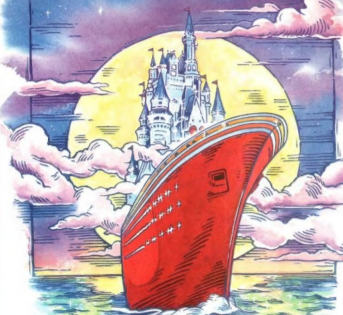
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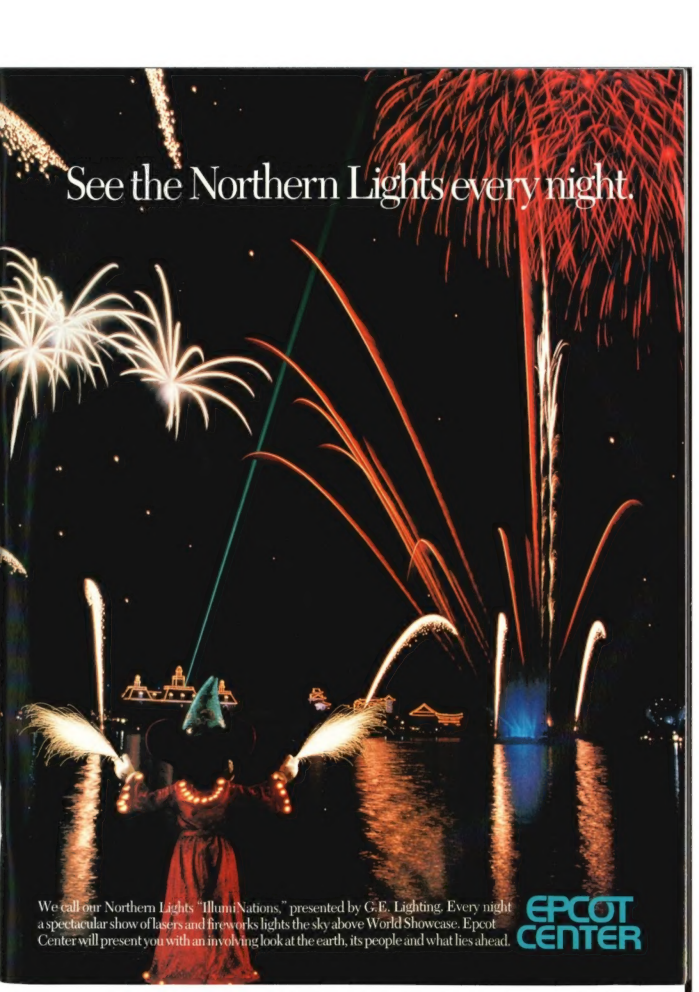
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TIME

THE WEEKLY NEWSMAGAZINE



THE GULF: These are the longest days. Time moves in slow motion. An entire world waits with shallow breath, asking, Will there be peace or will there be war?

The U.S. could have let the sanctions continue without setting a deadline for Iraq's departure from Kuwait. But with decision time at hand, it seems pointless to second-guess President Bush. If war breaks out, it will not be an accident. Both sides would rather fight than switch.

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Saddam has a wide range of options

They run from total capitulation to bloody carnage. No one knows what course he will choose.

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Last gasps on the negotiation trail

Unfazed by the dead end, diplomats are trying to carve out a possible path toward peace.

30



Reluctant nod from Capitol Hill

As last hopes fade, Congress authorizes Bush to lead the country into battle in the gulf.

32



A mood of anxiety before the storm

Americans are gripped by a combination of resolve and resignation as they conclude that war is inevitable.

36

NATION: The axing of the A-12 sends a tough message to contractors

Fed up with delays and cost overruns, Defense Secretary Cheney pulls the plug on the Avenger program, signaling an end of the buddy-buddy deals of the Reagan era.

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WORLD: A Kremlin crackdown on the separatists

Soviet troops deploy in Lithuania and mobilize to move on other republics.

► The Haitian army—surprisingly—crushes a coup attempt.

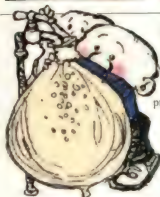
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BUSINESS: The bigger they come, the softer they fall

A major banking rescue raises questions of fairness. ► The bailout boss is a sharp-talking gunslinger. ► The House banking chairman blasts lawmakers and lobbyists alike.

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EDUCATION: Better safe than sorry?

The idea of handing out condoms in the nation's public high schools is gaining adherents—and attracting vociferous opposition.

66



ETHICS: Life and death after Nancy Cruzan

Who decides when to terminate life, and how? Across the U.S., a string of painful dilemmas about possibly stopping vital care is wending its way through the courts.

67

RELIGION: Latin America's Protestant boom

Guatemala's new President, who scored a smashing victory last week, personifies the rapid gains being made by his fellow Pentecostals and other Evangelicals throughout Latin America. The Roman Catholic Church faces "a serious crisis," says one expert, and its hierarchy is jittery.

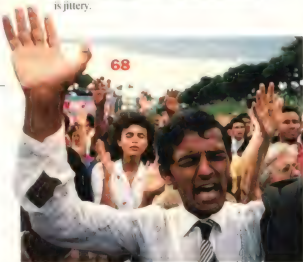
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SPORT: Running again—on empty

A drug-free Ben Johnson returns to the track after a two-year suspension for taking steroids, but other athletes are using performance-enhancing steroids as much as ever.

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LETTERS

MEN OF THE YEAR

"George Bush provides us with a classic metaphor: some good news and some bad news."

*Phillip J. Layne
Minneapolis*

George Bush, Men of the Year [Jan. 7]? By your own standards—the person who had the most impact, for better or for worse, on the year's events—the choice must be Saddam Hussein. Bush just responded to acts initiated by Saddam. As for the plural Men, Bush is barely one person, let alone two.

*Willem Hart
Toronto*

The real reason for the dual-image cover was not to portray two policies. It was a feeble attempt to try to leave a lasting im-



pression that the President is two-faced. I hope your readers are not so shallow as your editorializing.

*Edward F. Monroe
Encinitas, Calif.*

President Bush's indecision at home and firmness abroad are signs of our times. An extreme case is that of President Mikhail Gorbachev. Another was Pakistan's

Benazir Bhutto, enjoying herself as Prime Minister on official tours abroad while not knowing what to do at home. You show Bush as a two-faced Janus. But the Roman god was also the god of beginnings.

*Sajjad Haider Malik
Lahore, Pakistan*

George Bush provides us with a classic metaphor: some good news and some bad news. He is indeed a complicated man with a profound global vision and an under-achiever's profile on domestic issues.

*Phillip J. Layne
Minneapolis*

I wasn't pleased with your cynical title Men of the Year. Are you asking for a superhuman being in place of Bush? Surely only God could rule a land as dynamic as the U.S. and lead in world politics.

*Gillian Spronk
Emmeloord, the Netherlands*

The two faces are exactly right—not to symbolize foreign vs. domestic policy but simply to demonstrate the hypocrisy of this "leader" who talks about all the social programs he wants to be known for. Bush's interests are his own machismo and the status quo for the rich and powerful.

*Burton S. Guttman
Olympia, Wash.*



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Electronic Angst

In the past, there have been witch hunters and people who have favored lynchings. Your misleading article on the harmful health effects of electromagnetic fields [HEALTH, Dec. 24] puts you in the same class. You have joined those so-called environmentalists and journalists who have found that irresponsibly crying wolf helps fill the treasury and build circulation.

John A. Casazza
Springfield, Va.

Those concerned about danger from electromagnetism can ask their electric utility to survey their property to determine the effects of power lines, microwave ovens, electric blankets, TV sets, video terminals, etc. If the electromagnetic field of each item measures less than about one milligauss, there is probably nothing to worry about.

Richard Stephenson
Department of Chemical Engineering
University of Connecticut
Storrs, Conn.

Troubled Planet

Whenever protection of the environment is presented as a conflict between economic interests and ecology, individual

consumers are let off the hook [ENDANGERED EARTH UPDATE, Dec. 24]. But rampant individual consumption is what drives the economy and puts pressure on our natural resources. Adjustments to tax

Not Ready for This Idea

Charles Krauthammer's proposal that black Americans demand monetary reparations in payment for centuries of oppression and that affirmative-action programs be abolished (Essay, Dec. 31) didn't go over well with our readers. Virtually no one supported the idea. Michael C. Morris of Athens, Ga., found Krauthammer's approach the "age-old, yet seldom effective solution of throwing money at a problem." Sonja Knighton in Atlanta asked, "How dare anyone tell blacks to stop fighting for affirmative action?" David S. Yetman of Merrimac, Mass., expressed views that were echoed by many. Wrote Yetman: "Reparations may let us smugly cast off the guilt of our fathers' sins, but would do nothing significant to brighten the long-term prospects for black Americans. The money would be better spent on quality education, guidance and encouragement—serving the future rather than trying to atone for the past."

rates are certainly better than regulation as a way of getting the ecology message across. This approach gives everyone an incentive to conserve and involves everyone in the creative process of finding solutions.

John R. Forster
Port Angeles, Wash.

One simple way to help would be for rich countries to pay poor countries to become nonpolluting.

Lena Hansson
Malmö, Sweden

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INTERVIEW

Youngsters Have Lots To Say About God

America's most renowned child psychiatrist, **ROBERT COLES** of Harvard, finds surprising existential insight among the young

By **RICHARD N. OSTLING** CONCORD

Q. You talked with hundreds of children all over the world for your book *The Spiritual Life of Children*. Are you now more inclined to see all religions as one, or are the lines sharply drawn?

A. The lines are drawn. Jewish children had a strong interest in righteousness; I could hear some of those Hebrew prophets in their words. Christian children were true to an interest in the Incarnation, which at times strained their faith, and in the redemptive tradition that somehow Jesus arrived here to save us and that this salvation, when earned, would be theirs. And I found among children brought up in Islam a distinct emphasis on obedience and submission.

Q. Did you run into surprises?

A. I was surprised by the energetic interest that children in secular America could bring to spiritual reflection. I didn't have to prompt these children or work as hard as I thought I would.

Q. A footnote says you "hesitated long

and hard" before doing *Spiritual Life*. Why?

A. First I had to come to terms with the way psychoanalysis treats religion in a cavalierly condescending, and at times outrageously intolerant, manner, plus some plain old ignorance.

Q. Are children merely echoing what their parents or clergy teach them?

A. There's a big part of that, of course, not only in religion but in politics and, I might add, in psychology. Having said that, I've heard children in a wonderful fashion echo that Tom Sawyer-Huck Finn-Holden Caulfield tradition of American literature, bringing feisty skepticism and originality to spiritual matters. They have pointed out to me that the churches and synagogues and mosques can betray the original spirit of the faiths those children have been brought up in. Lots of children have commented on how Jesus lived, his association with outcasts and unpopular people, his poverty, the fact that he was a carpenter and his friends were peasants, that he didn't go to college and get fancy degrees, didn't have a lot of money, didn't associate with big-shot people.



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INTERVIEW

Q. Are most children really interested in spiritual questions?

A. They're interested, out of their humanity, because they know to ask what [Paul] Gauguin asked in his 1897 Tahitian painting: Where do we come from? What are we? Where are we going? Those are the great existential questions of artists, philosophers, novelists, historians, psychologists, and the questions of children and of all human beings.

Q. So we adults can learn, religiously, from children?

A. Look, psychoanalysis says we have a lot to learn from children. The spiritual interests of children have a lot to teach us as well. I have listened to children of eight or nine or 10 getting to the heart of the Bible. I have found in elementary schools a good deal of spiritual curiosity that does not reflect mere indoctrination. This is an interesting capacity children have, and I think we ought to pay attention to it.

Q. How should schools deal with it?

A. This is one of the great problems in American public schooling. Many teachers are afraid to bring up moral, let alone spiritual, questions for fear that they are going to violate the Constitution. It's a tragedy, intellectually as well as morally and spiritually. This might relate to the educational problems among some children. A large number of the schools' assumptions are basically materialist and agnostic. There's a kind of culture conflict between the families and the schools. That conflict may have some bearing on what children learn and what they don't learn, and on how children behave in school.

Q. Might it have a bearing on parents' support and enthusiasm for schools?

A. Definitely. And not only in so-called Fundamentalist areas but in the suburbs and certainly in the ghettos as well, where the black spiritual tradition is not welcome in schools.

Q. What could be done?

A. Children could be taught history that connects with their actual history, namely the history of the great religions, what those religions have been about, culturally, aesthetically, intellectually, morally and spiritually. That learning could inform the moral lives of those children, and classroom life. There is also an intellectual vacuum. Children aren't being taught what religious life stands for and what these various traditions have to offer us, even as they are being taught what Freud or Darwin stands for.

Q. I understand you teach a course on religion that has the largest enrollment at Harvard.

A. That's my course on the literature of social reflection, which has in it a good

hunk of religion. Last year it was the largest course, but this year it's No. 3 because I cut down the enrollment. I also taught a course for a number of years on the literature of Christian reflection. I hope to go back to it. That course was not an indoctrination into Christianity. It simply reminded us that religion has given us a great narrative and lyrical tradition that the secular world has a lot to learn from. By the way, there's a great spiritual and moral hunger among a lot of these secular college students.

Q. Tell me more.

A. The hunger is often displaced into secular preoccupations, namely politics, psychology, health, support groups, child-rearing preoccupations, sometimes literary and artistic interests, what have you. These interests are part of the search all of us undertake for some kind of meaning in life. I just think those fundamental existential concerns are never going to go away.

Q. Isn't religion often used negatively?

A. So is everything else. So is intellectual life. Look at the sectarianism in the name of psychoanalysis, the way we've learned to hate one another. Look at the Ivy League colleges. The meanness you find there rivals Belfast. Religion becomes a scapegoat. We see clearly the hatred in the name of religion, but we don't see so clearly the hatred generated in the different departments within these fancy universities or different political worlds. There's no sphere of human activity that lacks smugness, arrogance, self-importance, divisiveness and all the other sins we're capable of. And I say *sins*. If you look at what the religious tradition tells us, it warns about this sin of pride. No amount of secular progress, social or economic or educational, has so far enabled us to get beyond that darker side of ourselves.

Q. Are you officially a member of a religious denomination?

A. No. My children have been baptized in the Episcopal church, and my wife and I used to go with them fairly often. I have trouble finding a home in religion. My father was a scientist, Jewish with some Catholic background. My mother used to take us to the Episcopal church, and my father would never go in. He'd sit outside and read the Sunday papers. He was very skeptical of religions. He thought they all basically betrayed their ideals, and I think he was right. That's a part of me, along with some yearning for faith. For all my political liberalism, I'm fairly conservative on religious matters.

Q. Do you believe in a supernatural God?

A. Sometimes I do, and at other times I have my moments of doubt. I regard those moments of doubt as part of the struggle that we all have for faith.

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GRAPEVINE

By David F. Mustard/Reported by Sidney Urquhart



The Deadly Plumes of War

Environmentalists are sounding an 11th-hour warning about the explosives that Iraqi soldiers have planted around most of Kuwait's 700 oil wells and 21 processing plants. If those devices are set off, the subsequent conflagration could create "a nuclear-winter-like situation," asserts Paul Crutzen, director of Germany's Max Planck Institute for Chemistry. Jordanian experts say the wells could burn 10 million bbl. of oil a day, releasing a vast cloud of black smoke into the stratosphere. Such a cloud has the potential to screen sunlight, reduce temperatures and damage crops throughout the northern hemisphere. Not all experts agree with the grim forecasts, contending that Kuwaiti oil fields are too far apart to combine into one conflagration. If only some wells blow, the multibillion-dollar task of extinguishing the fires would be unlike any previous disaster. Much of Kuwait's crude lies close to the surface and could continuously feed the flames. Ensuing fire storms, producing temperatures exceeding 160°F, could keep fire fighters at bay for a year. "Leaders involved in the conflict should become aware of the consequences," says Crutzen, "so that such an act of madness will not take place."

A French Arms Double Cross?

If Saddam Hussein tries to use the high-tech weapons he bought from France, he may

have complaints about their effectiveness. Some French arms manufacturers, apparently worried that Saddam was not the most trustworthy client, programmed secret passwords into the computer-guidance systems of the fighter and bomber aircraft they sent to him, according to reports surfacing in Paris. Only the suppliers know the passwords, and unless they are keyed in, Iraqi guided missiles will not be able to reach their targets. Moreover, a Defense Ministry spokesman in Paris confirms that his country's warships carry transmitters that can jam French-built Iraqi radar systems and confuse the sensors on their Exocet missiles. But he concedes that battle-ready Western forces "definitely cannot jam all the weapons systems, because we have simply delivered too much weaponry to Iraq."

The Hirsute Hussein

As Jordan's King Hussein mounts a last-ditch effort for peace, he is sporting a silver new beard. Some of the King's subjects believe he is trying to appear more pious as the gulf conflict heats up. Just after Hussein grew the beard, he appointed members of the fundamentalist Muslim Brotherhood to his Cabinet, thereby including that group in the government for the first time. Others see the beard's purpose differently, concluding that months of fruitless diplomacy have caused the King's stress-induced skin rash to act up again.

Have a Cow, G.I.!

American troops in Saudi Arabia have been listening with amusement to Baghdad Betty, Iraq's version of Tokyo Rose, who tries to demoralize them with her radio broadcasts. In one monologue, she warned them that their wives back home were

sleeping with "famous movie stars," including Tom Cruise, Arnold Schwarzenegger and even Bart Simpson.

Noriega's Holiday In the Twilight Zone

Manuel Noriega spent the holiday season in a Miami prison awaiting trial for drug trafficking, but he didn't forget old friends and supporters back in Panama. The ousted dictator mailed out a Christmas card bearing a cryptic poem: "God is who makes the time/ the sole owner of eternity. Because He/ knows it all/ and knows/ how and/ when ...! This is my thought/ of meditation/ and from the depth/ I give you today in/ Christmas." Could the former strongman be contemplating an insanity defense?

Actors with Dirty Faces

Curly Sue, a Warner Bros. movie currently filming in Chicago, tells the tale of an eight-year-old girl and her friendship with a homeless man. The film's casting company, thinking it would be a good deed to



Too clean for the screen

hire real street people as extras, asked a local shelter for help in attracting recruits. But most of the 137 people who answered the casting call were rejected because they were considered too clean. Some recruits, hungry for a job that pays up to \$90 a day, reluctantly traded in their apparel for filthy costumes. "They had me wear clothes that had so much dirt on them, it took a couple of days to get it out from under my nails," complains James Moffatt, one of the homeless actors. The filmmakers say they will mainly hire actors for future walk-on parts. Explains a casting staff member: "When the director asks for street people and bag people, he wants a certain look."

Sending in the Specialists

War is a complicated operation calling for more than just soldiers, sailors and pilots. The Pentagon has deployed many units, mostly from the reserves, that are entrusted with specific support functions:

BATTLEFIELD HISTORIANS. Military History Detachments from all the services have been sent to the gulf to collect and preserve maps and other documents that will eventually become the official history of Desert Shield for the National Archives. Also on deck: service members with artistic talent to do sketches documenting troop life in the sand.

COMBAT PHOTOGRAPHERS. For more immediate history, specialists have been sent to the region to provide stills, film and video images that will be handed over to press pools after passing military censors.

BODY RECOVERY. This unit is trained to deal with the most gruesome aspect of war: the recovery and identification of bodies. Heavy fighting could force soldiers to bury corpses temporarily in the Saudi sands to await exhumation by the unit and shipment home. In the event of a chemical or biological attack, the specialists would have to cleanse the bodies by washing them with decontaminants.

PSYCHOLOGICAL WARFARE. Another unit will attempt, primarily through radio broadcasts and air-dropped leaflets, to "alter the psychological environment of the battlefield and affect audiences far beyond the confines of the battlefield area." Translation: spread disinformation about the enemy. This unit would also start a free newspaper in liberated Kuwait. If hostilities are carried into Iraq, PSYOP will discourage the civilian population from supporting Saddam's army.

CIVIL AFFAIRS. If Kuwait is retaken, a battalion of workers will use Stateside skills in such areas as public health, safety and finance to begin restoring the country's infrastructure. A team of lawyers will begin sorting out international-law matters, and engineers will supervise reconstruction of destroyed areas. They will be helped by members of the Army's Special Operations Force who speak Arabic and know the region.

FROM THE PUBLISHER

General Calvin Waller may have been uncertain whether all American troops will be ready when the Persian Gulf deadline passes this week, but TIME's small journalistic army is fully prepared. The deadline makes this a "weird" conflict, remarks chief of correspondents John F. Stacks. "Other wars developed by accretion or else suddenly, like Pearl Harbor. This long period of getting ready is nerve-racking." But at least it allowed Stacks time to deploy his forces.

From the Cairo bureau, Dean Fischer has been posted to the Saudi Arabia theater. Also on hand last week were Pentagon correspondent Bruce van Vleet, editor at large Strobe Talbott and Lebanon stringer Lara Marlowe. Moving in shortly will be Cairo-based William Dowell and Scott MacLeod, who was in Iraq with Stacks as of last week. MacLeod, an expert on the Palestinian issue, went north from out in the Middle East last month.

Both Rome correspondents have moved out, bureau chief Robert T. Zintl to Turkey and James Wilde, who has previously covered wars in Vietnam and Africa, to Jordan. Vienna-based John Borrell, who in the mid-1980s reported extensively on the conflict in Lebanon, is in Syria, while stringer Aileen Keating is



Chief of correspondents Stacks in Jordan

TIME's small journalistic army is fully prepared

on duty at the important listening post of Bahrain. The four-member Jerusalem staff is on full alert. Washington's David Ackman, who has been monitoring diplomatic angles in several nations, will be holding the fort in Cairo. His Washington colleague Dick Thompson and photographers Dennis Brack and Kenneth Jarecke are relying on telephone beepers, awaiting the any-moment summons to a C-141 military press plane bound for a Gulf war.



Stacks in Jordan

**Journalistic
y prepared**

asked anybody to go and cover a war," says a sober Stacks, who feels "a responsibility for the people." Nothing would please us more than to find that these elaborate preparations are unnecessary.

Louis A. Weil



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The Gulf

TIME/JANUARY 21, 1991

The Moment Of Truth

*If war breaks out,
it will not be an
accident. Both sides
are ready, and each
would rather fight
than switch its
position.*





By MICHAEL KRAMER



These are the longest days. Time moves in slow motion. An entire world waits with shallow breath, and the news never ends. Snippets of hope are dashed almost as quickly as they appear, only to be succeeded by fresh rumors of a peaceful exit. In a sense, it is all familiar. End games fascinate. In school, where we studied them attentively, the chapters were invariably titled "The Drift Toward War." The conclusions, too, were nearly uniform: If only there had been more time; if only the antagonists had understood one another better; if only the crisis had been nipped in the bud before it escalated.

However historians eventually judge the rush of events in the Persian Gulf, few will fairly conclude that what occurred was a failure to communicate. For months, George Bush has agonized that Saddam Hussein has not got the message. Tariq Aziz buried that illusion last week in Geneva. That was no dialogue of the deaf, as some have labeled it. Clarity reigned. James Baker detailed the horror that awaits Iraq if peace dies. Aziz undoubtedly knew the truth of the Secretary of State's assertions. But Aziz knows his boss too, and probably knows as well that no matter how unambiguously a person sees the light, in the end he cannot be saved from himself.

If clarity has been assured, only tragedy remains. Both sides, it seems, are ready for war because neither is willing to suffer a sup-

The Gulf

posedly worse fate—the humiliation that capitulation, or its perception, implies.

"Don't go to war in response to emotions of anger and resentment," said Dwight Eisenhower, who regularly counseled the courage of patience. But if war begins, anger and resentment is what it will have come down to. "It is about power and commitment," says Fouad Ajami, director of Middle East studies at Johns Hopkins University. "On both sides, the greatest fear is being seen to be a wimp." The best analogy is perhaps literary. In "Shooting an Elephant," George Orwell's colonial functionary kills a rogue elephant because those watching him expect it. "It is the condition of [the white man's] rule," Orwell has his character say, "that he shall spend his life trying to impress the 'natives,' and so in every crisis he has got to do what the 'natives' expect of him . . . To come all that way, rifle in hand, and then to trail feebly away, having done nothing—no, that was impossible. The crowd would laugh at me." George Bush "has drawn his rifle," says Ajami. "He cannot back down."

And neither, it appears, can Saddam Hussein. The fig leaves Saddam could seize to justify withdrawing from Kuwait have been available from the beginning. The Kuwaitis themselves have consistently said they are willing to negotiate over Iraq's grievances. Even the international peace conference that Saddam posits as a price for leaving Kuwait is possible—or at least the promise of such a meeting is. The U.S. desire to avoid linkage is basically a semantic exercise, and the offers of explicit linkage carried by middlemen like the French and the Algerians could at any time be used by Saddam to save face. Were he to decide to leave Kuwait,

the list of creative ways for the Iraqi leader to portray himself heroically is virtually limitless—and some in Washington indicate that an attack may not occur for several weeks, in the hope that Saddam will finally come to his senses.

Through a Western prism, Saddam's behavior appears insane: How could a man facing certain defeat and quite possibly his own annihilation choose war? Three answers are possible. One is that Saddam believes his enemies will cave in. He has said as much on innumerable occasions, and he still "seems to believe that we lack the will," says a Bush Administration expert on the Middle East. Another possibility is that Saddam honestly believes he can win. "The Americans will come here to perform acrobatics like Rambo movies," Saddam declared last Friday. "But they will find here real people to fight them. We are a people who have eight years of experience in war and combat."

A third, more ominous answer is that Saddam knows he will lose but views defeat as preferable to surrender. "Even if he loses militarily," says a Bush adviser, Saddam may calculate that "he will survive and will have won for having stood up to the U.S."—a political victory like Nasser's in 1967. This last, apparently quite real, possibility confirms a Bedouin proverb: "A jackal is a lion in his own neighborhood." It is "increasingly obvious," says Ajami, that "Saddam sees himself as the avenger of the Arab nation, history's instrument to redress the slights visited on Arabs for millenniums."

In retrospect, there was a road not taken. A trip-wire force could have been lodged in Saudi Arabia, to serve America's initial goal of deterring an invasion, and the sanctions continued nearly forever. Kuwait would be re-

“Should the Americans become embroiled, we will make them swim in their own blood, God willing.”

—SADDAM HUSSEIN



Aziz and Baker meeting last week in Geneva: what occurred was

membered, but its liberation would not have become the high-profile litmus test of U.S. resolve. That option existed until November, when the allied presence was characterized as an offensive force and the United Nations deadline of Jan. 15 was imposed.

It is impossible to separate those two events. They form a package. Once the rifles were truly drawn, once the liberation of Kuwait, no more than a rhetorical goal during the first days of the crisis, became the real objective of policy, an ultimatum was shrewd strategy. "The advantage of having a deadline is that it creates the maximum pressure for a peaceful solution in the last days," says British Foreign Secretary Douglas Hurd. Now the deadline is upon us, and it cannot be ignored. If it is, nothing will ever work.

It is pointless to second-guess Bush for not taking the other path. It is even more futile to wonder how the Middle East might look after an allied victory. Unintended consequences are a by-product of any action. The only certainty is that nothing could be worse than for Saddam to prevail. The possibility of other bad actors filling a postwar power vacuum will simply have to be met later on a case-by-case basis, or perhaps through the eventual convocation of a peace conference that would address both the Israeli-Palestinian conflict and the region's massive overarmament.

Ideally, a fine-line war would be waged, a battle that leaves Iraq powerful enough to defend its own borders but too weak to threaten its neighbors. But attempting to craft such an outcome in advance is asking too much. War is never as clean as planned. More important, if such plans were

drawn and executed, a key strategic goal could be crippled. If Saddam is reckless enough to "take" a war, then he will have proved his insanity and his ability to wage battle again ought to be eliminated. Thus the scenario that envisions Saddam suing for peace after absorbing a first blow is best rejected. As in 1967, when the Arab nations that fought Israel ran to the U.N. for a cease-fire resolution as soon as Jerusalem's superiority was manifest, such a resolution must await a complete military victory. In the present case, that means the destruction of Saddam's chemical, biological and nuclear war-fighting capabilities. To leave those intact after punishing Saddam into withdrawing from Kuwait would be folly.

How unreal it all feels. Never before have Americans waited for a war scheduled to begin on or close to a certain date, knowing too that they will watch its horror during prime time. How discouraging as well, after the freedom that swept Eastern Europe following 40 years of communist dictatorship. Because of that transformation, the possibility of massive war was supposedly lifted: the nukes were being destroyed. We were not totally lulled. We knew that madmen still held sway, messianic tyrants riveted by the Nietzschean principle that power is a good in itself. We felt bad for those subjected to such belief, but we felt ourselves immune. We were wrong—and now it again falls to Americans to set matters right. Railing against the truth will not help. The fact is that if the U.S. does not check Saddam, no one else will.

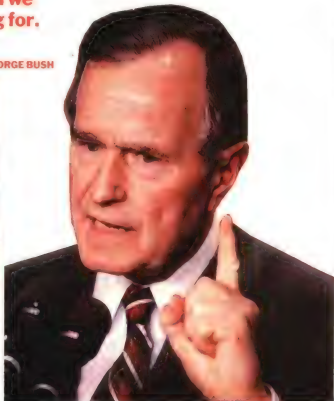
Survival is not a trifling virtue. But those who make survival the supreme value declare that there is nothing they will not betray. Saddam would undoubtedly agree with this proposition, but because he misses the point, he must be stopped. If he is not, what will survival be worth? ■

“There are times in life when we confront values worth fighting for. This is one such time.”

—GEORGE BUSH



not a failure to communicate; a brutal clarity reigned



Saddam's Options

They run from complete capitulation to all-out war. Which will he choose? Who knows? He does not think like a Westerner.

By GEORGE J. CHURCH



War or peace—the fundamental decision rests with Saddam Hussein, as it has since the beginning of the crisis. And it will probably be made, or at least disclosed,

at the last possible instant. Somewhere around 11:59 p.m. on Tuesday, Jan. 15, U.S. Eastern Standard Time—one minute before what the American State Department considers the deadline (the United Nations has specified only the date). Or maybe on Jan. 16 or 18 or 23, or Feb. 6 or even later should President Bush take a bit longer to gear up for war. If the Iraqi dictator tries some final maneuver to forestall the assault, says William Quandt, a leading American expert on the Middle East, he will spring it "when he hears the tank motors rev up."

Or perhaps he will do nothing at all—just wait for war. Or even strike first. In theory at least, Saddam's options run from capitulation—that is, the total and unconditional withdrawal from Kuwait that the U.N. demands—to deliberately precipitating Götterdämmerung. Assessing which he is likely to choose is a peculiarly baffling task. Constraints that would hog-tie any democratic politician and most dictators mean little to Saddam. His record suggests willingness to sacrifice hundreds of thousands of Iraqi lives if that would advance his goals even a few inches.

Those goals seem reasonably, though not altogether, clear. Though there is some opinion that Saddam might eventually opt for martyrdom, the consensus of American, European and Middle East experts is that his primary goal is survival—of himself first and then of his power and specifically his military machine. Second comes

expansion of that power. Saddam longs to be recognized by his fellow Arabs and ultimately the U.S. superpower as the dominant force in the Middle East.

Saddam has said that his ambition is to become an Arab Bismarck. Like 19th century Germany, the Arab world shares a common language and culture but is splintered politically. Saddam dreams of welding it into a single, powerful unit—with himself at the head, of course. The Iraqi leader can make tactical retreats, but he will try to solve the Kuwait crisis in whatever way seems to him most likely to promote those goals, or at least deal them the smallest setback.

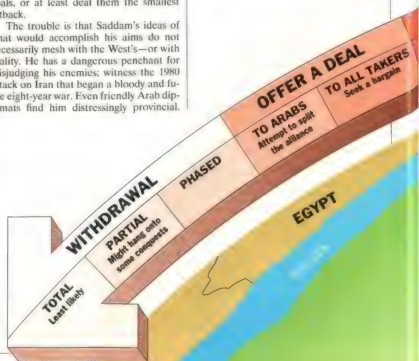
The trouble is that Saddam's ideas of what would accomplish his aims do not necessarily mesh with the West's—or with reality. He has a dangerous penchant for misjudging his enemies; witness the 1980 attack on Iran that began a bloody and futile eight-year war. Even friendly Arab diplomats find him distressingly provincial.

He has rarely been outside the Arab world and knows as little of the West and its thought processes as Western politicians know of his. Courses that seem senseless or downright suicidal to analysts in Washington, Paris or even Cairo do not necessarily look that way to the boss of Baghdad.

Nonetheless, it is possible to figure out what Saddam *could* do. Not only is his range of options extraordinarily broad, but few of them are mutually exclusive. He could pursue several in combination or in sequence. In escalating order, they are:

WITHDRAWAL

Total, unconditional withdrawal seems the least likely choice, but it cannot be entirely ruled out. It would keep Saddam's army, chemical and bacteriological weapons and nuclear potential intact; the U.S. has already promised publicly that the anti-Saddam coalition will not attack Iraq if its troops leave Kuwait. Bush has even hinted that Iraq could negotiate its border disputes with Kuwait and perhaps get an international conference on the Palestinian problem convened. Saddam might view these as sufficient concessions to enable him to continue posturing as the strongman of the Middle East. On the other hand, recalls a Bush adviser, "we have said ourselves that Saddam probably would be overthrown and assassinated by his own people if he withdrew unconditionally from Kuwait." Though many experts doubt that this would happen, the dictator might have to be convinced that he runs an even greater risk of being killed in a war that only a complete pullout could avert.



Partial withdrawal would be an entirely different matter. Under the most frequently rumored scheme, Iraq would pull out of most of Kuwait but keep the southern part of the rich Rumaila oil field and the islands of Bubiyan and Warba, which would allow unimpeded access to the Persian Gulf. Bush and the U.S. allies have branded partial withdrawal unacceptable, since it would reward Saddam for aggression. But, says Michael Dewar, deputy director of London's International Institute for Strategic Studies, that move "paralyzes Washington's military option." It would be difficult if not impossible to justify a war costing thousands of casualties for such a small sliver of territory. Moreover, since that sliver approximates Iraq's initial demands on Kuwait, Saddam could plausibly claim that he had won what he really wanted. Some American and allied officials refer to this as "the nightmare scenario" since they think it represents Saddam's best chance of escaping punishment and remaining a menace for the future. But Saddam might see an even better choice.

Phased withdrawal might offer the Iraqi dictator the greatest chance of salvaging something from his Kuwait adventure besides his skin. Saddam would announce

that in two weeks, 90 days or whenever, he would begin withdrawing some troops from part of Kuwait, and maybe more later. How many initially, how many subsequently, how fast, from how much of Kuwait? That would all depend on what terms the allies and the U.N. offered to have him continue the pullout.

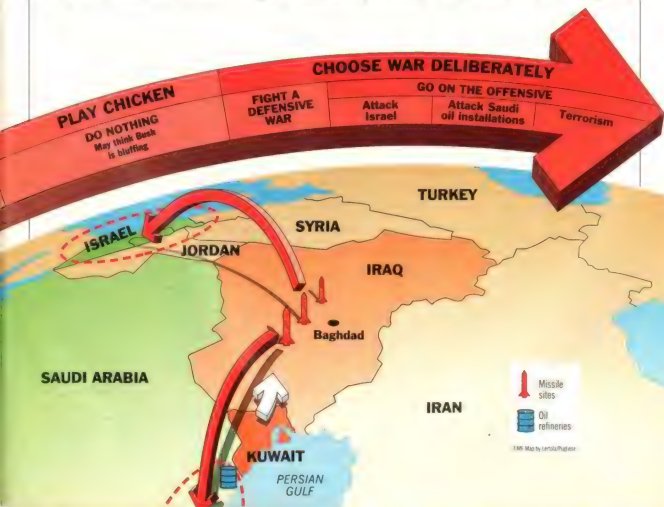
ANGLING FOR A DEAL

Saddam is already dangling various ideas for a so-called compromise before European and Arab visitors. The aim is to divide and weaken the coalition against him. At best, in his view, allies terrified of war would bring irresistible pressure on Bush to delay war or, if it begins, agree to a quick cease-fire and negotiations for a compromise settlement. In Saddam's view, forcing or luring the U.S. into negotiating would in itself be a victory of sorts: it would amount, he thinks, to Washington's recognition of his paramount role in the Middle East.

An Arab solution is one of the leading ideas. Saddam, probably acting through a mediator such as Jordan's King Hussein or Algerian President Chadli Bendjedid, would say to his fellow Arabs, in effect, "Forget the Americans; they are interlop-

ers here. Let's call a special meeting of the Arab League and work out our own settlement of this unfortunate split in the Arab world." Some possible terms: Iraqi withdrawal from Kuwait in return for a pullout of all American and other foreign forces from Arab countries; perhaps elections—which Saddam would have a good chance of rigging—to set up a new regime in Kuwait that would negotiate a settlement of border and oil disputes with Iraq. Robert Keeley, director of the Middle East Institute in Washington, warns that the U.S. might not like such a solution but its opinion would be "irrelevant"; it could hardly wage war on Iraq without bases in Saudi Arabia and the gulf sheikdoms. Such a settlement would leave the Saudis, the sheikdoms, Egypt and others to face future Iraqi aggression or bullying without U.S. protection. But they could come under heavy pressure from their own people to go along anyway. However, Yasser Arafat, head of the Palestine Liberation Organization, has been proposing such a compromise for months now without success.

A Middle East peace conference to tackle all the problems of the area at once is Saddam's principal lure for the Europeans. The idea would be to exchange Iraqi



The Gulf



One form of linkage: members of the Iraqi Popular Army showing anger at reports of the killing of a Palestinian in Israel

Trading Kuwait for a conference on Palestine would make Saddam an Arab hero—and that is why the U.S. is resisting any such deal.

withdrawal from Kuwait for an agreement forcing Israel to give up the West Bank and Gaza and let the Palestinians who live there form their own state. Saddam might even propose some form of chemical and nuclear disarmament throughout the region—meaning Israel as well as Iraq. Such an outcome would make Saddam a glowing hero to the Arab masses, the first leader in 40 years to humble Israel and accomplish something for the Palestinians. Even if he had to surrender Kuwait, Saddam's chances of eventually dominating the region might increase. For exactly that reason, the U.S. opposes any direct linkage between a Middle East conference and a settlement in Kuwait as yet another reward for Saddam's aggression. But France and some other European allies—though emphatically not Britain—would snap at the chance, if they could talk Bush into going along. One rumor last week was that Saddam would combine elements of several ideas, promising through Arab intermediaries that he will agree in principle to pull out of Kuwait—when and how fully left vague—in return for an international conference on Palestine.

PLAYING CHICKEN

Saddam could elect to do nothing. No withdrawal, total or partial, nor any promise of one; no further hints at a compromise deal; nothing. He would simply dig in deeper in Kuwait and dare Bush to put up or shut up on his threats to expel Iraq by force. That would amount to a hair-raising game of chicken in which Saddam would be betting that Bush would turn away first. Possibly, or so the Iraqi

dictator seems to think, the American President will lose his nerve at the last second. Or perhaps Congress, the U.S. public and the allies will be so horrified by the potential casualties of a Middle East war that they will force Bush to back down. Either way, Saddam wins big. At a minimum, the deadline for war would be put off for months or indefinitely while the anti-Saddam coalition gave economic sanctions more time to work. At most, it would be Bush rather than Saddam who proposed a compromise in order to avoid war—and Saddam's prestige in the Arab world as the leader who faced down a superpower and won would skyrocket.

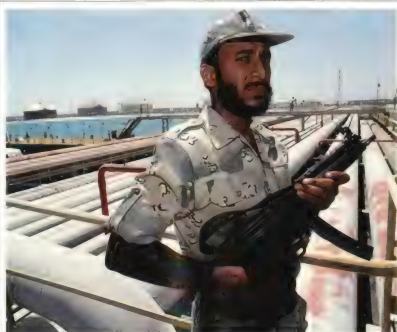
The greater possibility, of course, is that Bush is not bluffing, and a continued game of chicken will end in a devastating war that Saddam will lose. There is a nagging worry in both Washington and the Middle East that Saddam's lack of familiarity with the West is leading him into a gargantuan misjudgment that nobody will try to correct. Saddam's advisers during the crisis, says a friend of the dictator, "are not sophisticated people," and in any case they "treat him like a hero. No one dares to say, 'Mr. President, we might be heading for a disaster.' Personally, I think he is misreading Bush. He believes Bush will not fight."

Alternatively, though, Saddam might be, or become, convinced that Bush will indeed fight and still do nothing to head off a war. To Western eyes, that course might seem like suicidal lunacy. But to Saddam it might appear to offer the final, menacing but strangely tempting set of options.

CHOOSING WAR

War, says Edward Peck, a former U.S. diplomat who served in Iraq, "is not the worst thing that Saddam Hussein can imagine." Even if he loses? Maybe. If he has to give up most or all of Kuwait anyway, why not fight first? His status in the Arab world might actually rise. After all, he would be expected to lose a fight with a superpower, but he might well gain respect for standing up to the U.S. hard and long. In both the U.S. State Department and the Middle East, experts note apprehensively that Egyptian Presidents Gamal Abdel Nasser in 1956 and Anwar Sadat in 1973 suffered severe military beatings yet gained heavily in prestige—Nasser so much so that he became the predominant leader of the Arab world. True, the analogies are very far from perfect. The U.N. and U.S. in effect reversed Nasser's 1956 defeat after a cease-fire, bringing political pressure that forced the British, French and Israelis who had invaded Egypt to pull out again and leave Nasser in control of the Suez Canal. Sadat gained in stature because he had the gumption to start a war with Israel, only to be isolated later because he had the still greater nerve to negotiate a peace treaty with the Israelis. Nonetheless, opponents are afraid the lesson Saddam will draw is that in the Arab world a leader can win by losing.

And anyway, Saddam may believe he can in some sense win. Given the size, technical sophistication and firepower of the forces arrayed against him, that looks like the wildest miscalculation of all. But the cost of proving him wrong, in blood, economic chaos and political upheaval, could



Guard at the Ras Tanura oil refinery and loading terminal, Saudi Arabia's biggest

Iraq's missiles might not do much damage—but if they did, chaos would follow.

be ghastly—and that, in fact, may be exactly what Saddam is counting on to make his enemies give up the fight before he suffers a decisive defeat. Says Barry Rubin, senior fellow at the Washington Institute for Near East Policy: "He is a great believer that victory eventually comes to the side willing to suffer most." During the now famous meeting with U.S. Ambassador April Glaspie in which she signaled that the U.S. had no interest in an Iraq-Kuwait dispute, Saddam told her that "yours is a society which cannot accept 10,000 dead in one battle"—whereas Iraq had done exactly that during its war with Iran.

Saddam's potential victory scenario comes in two different versions:

Fight a defensive war. The aim would be to survive the American aerial blitz that would open the war and then force or lure the U.S. and its allies into a series of grinding, fearfully bloody frontal assaults on heavily dug-in Iraqi positions—a recrudescence, 75-odd years later, of World War I-style trench warfare. That would be accompanied by some of the biggest tank battles ever fought, which would also be destructive and bloody. The allies might suffer huge losses so quickly that they would speedily sue for peace or perhaps accede to a panicky U.N. call for a cease-fire (shades of Nasser in 1956). If not, a drawn-out war might fan the worst American fears of "another Vietnam" and eventually build irresistible pressure on Bush to offer some sort of compromise settlement.

Saddam could be very, very wrong. The aerial and naval bombardment of the early

stages could prove quickly decisive, not only wreaking immense destruction but also breaking Baghdad's communications with the troops in Kuwait and cutting off those soldiers from food, water, ammunition and reinforcements. Even in an eventual ground assault on well-entrenched positions, the allied forces would have enormous technical advantages: satellite intelligence pinpointing Iraqi deployments, and devices that make visibility at night almost as great as in the day, to name only two. Even in a drawn-out war, the Iraqi troops—fighting without allies, cut off from foreign supplies by the embargo, and with their own munitions factories under incessant aerial bombardment—would lack staying power: every bullet they fired would deplete a shrinking supply. The trouble, once again, is that Saddam may simply not see any of that. Western military men fear he has little idea of the fury and firepower of a high-tech attack. His mental picture of war, derived from the long struggle with Iran, is of trenches, minefields and barbed wire foiling human-wave assaults. Further, he might reckon that even if he lost, he would save his skin and some part of his military force: the anti-Saddam coalition is pledged only to push the Iraqi forces out of Kuwait, not to drive on to Baghdad.

Go on the offensive. If Saddam nonetheless doubted his ability to win a purely defensive fight, he has three options for carrying the war to the enemy:

1) Attack Israel. Foreign Minister Tariq Aziz said last week that Iraq "yes, absolutely, yes" would strike the Jewish state.

From a narrow military viewpoint that might seem extraordinarily stupid, Israel's missiles and bombers could rain far more destruction on Baghdad than Saddam's mostly short-range and inaccurate missiles could wreak on Tel Aviv. But Saddam's aim would be political: converting what Bush has often called a struggle of "Iraq against the world" into a battle pitting "the Arab nation" against Israel, the U.S. and their stooges in Riyadh and Cairo.

2) Attack the Saudi oil installations. Military experts consider Saddam's missiles too inaccurate to do much damage—if he even got them off the ground before American bombers destroyed them. But if perchance Saddam could put a crimp in Saudi oil production, or even cause Western traders to fear that he might, the payoff would be immense. Panic might push oil prices to \$50, \$80, even \$100 a barrel. Western economies would be rocked by uncontrollable inflation, deepening depression, heavy unemployment; financial markets would nosedive.

3) Ignite terrorism on a scale never seen before. Bombings, hijackings, kidnappings, murders would strike Americans and citizens of other allied nations not only throughout the Middle East but also in Europe and quite possibly in the U.S. This strategy could backfire. Terrorist outrages often inspire fury and a burning desire to hit back; that rage might overwhelm the doubts of many Americans who are now dubious about, if not outright opposed to, war. Still, terrorism is an option Saddam could turn to, perhaps in combination with assaults on Israel and on Saudi oil installations, to convince Americans and other opponents that the price of defeating him is much higher than they imagine.

Some of Saddam's options look shrewd, some dubious, some self-destructive. And the Iraqi dictator has not always seemed able to distinguish which is which. Several Congressmen declare that Tariq Aziz's stonewalling in his meeting last week with Secretary of State James Baker, coupled with Saddam's threat that American servicemen would "swim in their own blood" if war came, probably swung dozens of previously doubtful votes behind a resolution authorizing Bush to use force against Iraq, an outcome Saddam certainly did not want. Says a White House official charged with lobbying for that resolution: "Saddam is really a made-to-order villain. He's playing his part better than we could have written it."

For the purpose of winning votes in Congress, perhaps. But not for many others. A leader unable to understand his adversaries, and living in a different mental world than the one they inhabit, can be the most dangerous of all—precisely because his choice among available options can backfire so bloodily.

—Reported by Scott MacLeod/
Baghdad, William Mader/London and I.F.O.
McAllister/Washington

The Gulf

By venturing to Baghdad, U.N. chief Javier Pérez de Cuéllar hoped to persuade Saddam that it was in his best interests to leave Kuwait



France's François Mitterrand continued to push a peace agenda independent of Washington's



Luxembourg's Jacques Poos wanted to lead an E.C. delegation to meet Aziz, but the Iraqi spurned the offer

Last Gasps on the Negotiation Trail

Unfazed by the dead end reached by the U.S. and Iraq, other diplomats attempt to carve out a path to peace

By LISA BEYER



For the entire 387 minutes that U.S. Secretary of State James Baker and Iraqi Foreign Minister Tariq Aziz met in Geneva last week, a brown manila envelope lay unopened on the table, mute testimony to the breach between their positions. The package contained a letter from President Bush to Saddam Hussein conveying in stark terms Washington's determination to see Iraq leave Kuwait. Baker had given Aziz a photocopy of the letter at the outset of the meeting. As Baker and the 16 other officials present looked on, the Iraqi read the message slowly, his hands trembling. Finally, he said he could not bring such a letter to his leader; it was not cast, he said, in tones appropriate for communication between heads of state.

When the two sides broke for lunch, Baker deliberately left the envelope in the middle of the table, instructing an American security agent to keep an eye on it. As the meeting ended, Baker made a last stab. "Mr. Minister, I want to ask one more

time. Are you sure that you do not want to receive this letter?" he said. "Yes," Aziz replied. Baker picked up the envelope and left the room.

The rest of the meeting was no more productive, though the atmosphere was calm and professional. There was no shouting, no pounding on the table. Aziz politely asked if he could light a cigar, and Baker, a former smoker, just as politely said he would relish the aroma. But neither side had anything new to say. Neither of the men budged a jot from their mutually exclusive positions. Baker said Iraq must quit Kuwait without conditions or face war. Aziz insisted the gulf conflict must be solved in conjunction with all Middle East problems.

Though Baker, the diplomat, was clearly depressed by the outcome of the discussions, his boss, the Commander in Chief, was unfazed. As Bush aides explained it, the Baker-Aziz conference confirmed the President's expectations without realizing his worst fears. "Anybody who expected a breakthrough in Geneva was a fool," said a White House official. At the same time, the Administration had worried that the

Iraqis would spring a dramatic surprise, offering, perhaps, a partial withdrawal, which would have frayed the coalition against Saddam and made Congress less likely to authorize Bush to use force. That Aziz unpoped no jack-in-the-box was a relief to Washington. It was also a plus that the meeting went on so long. Should war finally come, the Administration can now say it seriously tried another way.

Administration officials pointed out that while Geneva proved a dead end, it was not the only path to peace. No sooner had Baker, briefing reporters, uttered his first "regrettably" than a huddle of diplomats began to accelerate the push for alternative peace initiatives. Among them were efforts by the French, the European Community and the Algerians to act as interlocutors. Most notably, United Nations Secretary-General Javier Pérez de Cuéllar announced he would go to Baghdad to see Saddam. "The window for peace has not widened, but neither has it been slammed shut," said German Foreign Minister Hans-Dietrich Genscher.

Ironically, the stalemate in Geneva may make it easier for Iraq to accept someone else's settlement plan. "Saddam needs to look like he's standing up to the United States," said a White House official. "Slapping us down by refusing to accept the President's letter might help him save enough face to withdraw from Kuwait."

Certainly, the rejection of Bush's letter appeared to have been premeditated. U.S. officials believe Aziz had instructions to spurn anything other than a conciliatory message, though the Minister did study the letter as if to memorize its key parts. In fact,

Photographed on Mt. Desert Island, Maine



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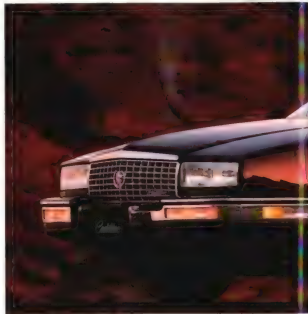
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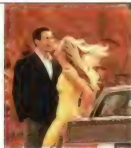
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Bush's note was demanding though not recklessly impolite. It did contain one sentence that must have quickened Aziz's pulse: "Unless you withdraw from Kuwait completely and without condition," Bush wrote Saddam, "you will lose more than Kuwait."

Contrary to rumors before the meeting, the Americans did not try to scare Saddam by presenting intelligence reports on his recent movements. The U.S. has such information, collected mainly through electronic intercepts. Because Saddam moves around so much, however, there are periods when Washington is not certain of his whereabouts. But if war breaks out and Saddam is targeted, one American official asserted, the U.S. could attack each of the several locations where he is likely to be.

Trying to prevent such a showdown is now primarily a job for anyone but the Americans. In Geneva, Aziz reminded Baker, "You are American. You are not the world." Given that sentiment, the U.N.'s Pérez de Cuéllar appeared to be the most suitable intermediary. "He is a diplomatic ladder on which Saddam can climb down," said a senior French envoy.

After his 0-0 game with Aziz ended, Baker remarked that the U.S. welcomed "any and all diplomatic efforts to solve this crisis peacefully," but he repeatedly singled out Pérez de Cuéllar's efforts to the exclusion of the others. Washington found comfort in the notion that the U.N. chief presumably would be bound to insist on an unconditional Iraqi withdrawal from Kuwait, since that is the demand contained in the 12 resolutions adopted by the U.N. Security Council since the invasion last August. Pérez de Cuéllar did bring Saddam something new to mull over: a formal proposal that once Iraqi troops left Kuwait, they would be replaced by a U.N. peacekeeping force that would exclude U.S., Saudi and other troops objectionable to Baghdad. That, at least, would spare Iraq the humiliation of having a massive American force next door.

Attempts by the E.C., the French and the Algerians to break the deadlock are less appealing to Washington. Last week the Bush Administration rejected a peace plan approved by the E.C. at an emergency session in Luxembourg on the grounds that it provided the linkage Saddam seeks between the gulf conflict and the Palestinian problem. The Community's members had committed themselves to contributing "actively to a settlement" of other problems in the Middle East once the gulf crisis is resolved. The U.S. has reluctantly endorsed the idea of eventually holding an international conference on the Middle East but does not want to tie the session explicitly to Iraq's withdrawal from Kuwait for fear of rewarding Saddam for his aggression.

In any event, the Iraqis have cooled to the E.C. Punishing the Community for revoking an earlier offer to meet him in Rome, Aziz turned down invitations earlier this month to confer in Luxembourg and

The Postman Only Rings Once



Baker said he did not believe that the Iraqi Foreign Minister was authorized to accept the message

Excerpts from the President's letter to Saddam Hussein, given to Tariq Aziz by U.S. Secretary of State James Baker:

"There can be no reward for aggression. Nor will there be any negotiation. Principle cannot be compromised. However, by its full compliance, Iraq will gain the opportunity to rejoin the international community."

"More immediately, Iraq and the Iraqi military establishment will escape destruction. But unless you withdraw from Kuwait completely and without condition, you will lose more than Kuwait. You may be tempted to find solace in the diversity of opinion that is American democracy. You should resist any such temptation. Diversity ought not to be confused with division. Nor should you underestimate, as others have before you, America's will."

Algiers with an E.C. delegation headed by Luxembourg's Foreign Minister, Jacques Poos. The Iraqis suggested a later get-together in Baghdad, but the E.C. declined, calculating that to chase after Aziz would be perceived as a sign of weakness.

The French go even further than the E.C. on the question of linkage. They would flatly promise Saddam a Middle East conference in exchange for Baghdad's pledge to give up Kuwait. Paris argues that since it has long sought such a parley, it is actually giving Saddam nothing new. Washington sees it differently. Says French President François Mitterrand: "I respect Mr. Bush, but I do not feel myself to be in the position of a second-class private obliged to obey his commander in chief."

Because of its record as an effective mediator between Arab and Western countries, Algeria is in many ways well suited to the peacemaker's role. Before leaving Geneva, Aziz met with Algerian Foreign Minister Sid Ahmed Ghazali, apparently to no avail. Nevertheless, the Algerians have redoubled their efforts to reach a solution that is essentially based on the French model and that promises territorial concessions from Kuwait.

Last week the Bush Administration disclosed that Moscow too was "thinking innovatively" about ways to unravel the gulf mess. President Mikhail Gorbachev surprised his American counterpart with an early-morning phone call to discuss possible options, which the Administration did not describe. While downplaying these proposals, Washington was gratified that after speak-

ing with Baker about the stalemate in Geneva, Soviet Foreign Minister Eduard Shevardnadze sent Baghdad his own message, echoing the U.S. contention that Iraq must immediately choose war or peace.

As many and as varied as the peace efforts were, none appeared to offer much hope. Late last week Iraqi Information Minister Latif Nassif Jassim told TIME his country was "psychologically prepared" for peace talks. But, he said, Baghdad was sticking to its insistence on linking the gulf crisis with the Palestinian issue, a proposition Washington will not accept. "There is nothing new on our side," said Jassim. "We have nothing to add."

Many in Washington are convinced that Saddam is playing brinkmanship, and will pull out only when he is absolutely convinced that the Desert Shield coalition is dead serious about forcing him out of Kuwait, and only at the very last second before any assault occurs. As Baker told U.S. troops in Saudi Arabia last week, his fear is that Saddam "will miscalculate exactly where that brink is."

One clue from Geneva last week suggested that Saddam still needed a good deal of persuading. According to an intelligence service friendly to the U.S., Barzan Tikriti, Saddam's half-brother and the member of Aziz's delegation closest to the President, pronounced himself unconvinced by Baker's hard line. If Saddam believes his relative, he will see no urgency in accepting any proposal that leaves him with less than he started with, which is all of Kuwait.

—Reported by Dan Goodgame/Washington, William Mader/London and Christopher Ogden with Baker

A Reluctant Go-Ahead

As hopes for peace fade, a divided Congress authorizes the President to lead the United States into battle

By RICHARD LACAYO



Never had Congress faced a challenge quite like it. In the Persian Gulf, 430,000 U.S. troops prepared to launch into battle against the Iraqi invaders of neighboring Kuwait. An American President had dis-

patched those troops to the Middle East, and the United Nations had authorized the use of force against the Iraqis unless they withdrew by Jan. 15. Yet Congress, the only branch of government with the constitutional power to declare war, had still not spoken, and the President was threatening to move with or without the lawmakers' approval. Last week, after the failure of the Geneva talks between Secretary of State James Baker and Iraqi Foreign Minister Tariq Aziz, Congress took up the question of war and peace with a rare sense of urgency. Said Speaker of the House Thomas Foley: "This is a matter of enormous moment."

Once the speeches were made and the votes were counted, a majority of the lawmakers had lined up behind the President and the battle that everyone had hoped to avoid seemed closer than ever. The House, by a vote of 250 to 183, and the Senate, 52 to 47, adopted resolutions that, in language approved by the White House, authorized the President to use military force against Iraq after Jan. 15. Before the vote, Senate Republican leader Bob Dole summarized the paradoxical hope of the resolutions' supporters: "This is the best chance for peace."

Though the measures also required that the President first certify to Congress that sanctions were not working, supporters said the resolutions were tantamount—but not identical—to a declaration of war. Both houses also defeated alternative resolutions, sponsored by the Democratic leadership, calling for a delay in military action until sanctions had been given more time to work. In the Senate it lost 53 to 46 with 10 Democrats but

just one Republican, Iowa's Charles Grassley, abandoning the party line. The House vote was 250-183.

At a press conference afterward, George Bush called the outcome in Congress "a clear signal that Iraq cannot scorn the Jan. 15 deadline." The votes also represented a tactical victory for Bush and a stunning turnaround of congressional sen-



“The question is not whether we agree with Bush's goals. We do. The real question is how we go about it.”

—NUNN



“[Endorsing the use of force] is a vote to achieve America's goals, at the least risk to America.”

—DOLE



“I hope that [Saddam Hussein] will take no comfort from this debate.”

—GEPHARDT



“The question is whether Congress will give the President an unlimited blank check.”

—MITCHELL



“If all else fails, war is a reasonable option.”

—ASPIN

timent. When the newly elected 102nd Congress assembled in Washington on Jan. 3, few lawmakers believed a majority could be found in either chamber favoring a quick resort to force. What seemed to be shaping up instead was a tug-of-war with the President over Congress's constitutional right to declare war. For months Bush had avoided seeking congressional approval of his gulf policies, fearing that a narrow victory—or worse, a defeat—would further embolden Saddam Hussein. But when it became apparent that the returning lawmakers were determined to open an early debate over his Persian Gulf policies, Bush relented. By early last week the White House was circulating a resolution seeking

congressional approval for the use of military force.

The failure of the Geneva talks—and particularly the impression of Iraqi intransigence—made a confrontation seem all but inevitable and swept congressional fence-sitters into the President's camp. "If war is more likely, more people want to be behind the President," explained Indiana Congressman Lee Hamilton, an opponent of the Bush tilt toward war.

Acting with a political deftness he has rarely shown on domestic issues, Bush skillfully worked Congress into his corner. With most Republicans already behind him, the President moved quickly after the Geneva breakdown to gain support from Democrats like Florida Congressman Dante Fascell, chairman of the House Foreign Affairs Committee. He also sought the backing of longtime supporters of Israel in the House like New Jersey's Robert Torricelli and Stephen Solarz of New York, who became the strongest Democratic voice in the House in favor of war against Iraq.

Bush got help from another Democrat early in the week when Representative Les Aspin of Wisconsin, the chairman of the House Armed Services Committee, painted a relatively rosy picture of a potential war. In a report he prepared based on public hearings and private conversations, Aspin estimated that in a war relying heavily on American air assaults, the U.S. stood a good chance of winning in less than a month. He figured casualties in such a conflict might be in the range of 3,000 to 5,000, with up to 1,000 dead.

Even as the President was trying to line up bipartisan sup-

port, the Democratic leadership was leading the fight to give sanctions more time. The antiwar factions in both houses fell in behind nearly identical resolutions drafted by two presidential hopefuls: House majority leader Richard Gephardt and Georgia Senator Sam Nunn, chairman of the Senate Armed Services Committee. Nunn, with his hard-line reputation on most other military issues, was particularly important for attracting wavering Democrats.

When the Senate opened debate on Thursday, majority leader George Mitchell laid out the antiwar, pro-sanctions position. Warned Mitchell: "The grave decision for war is being made prematurely." In the House, Gephardt stressed that the opponents of war were not friends of Iraq. "The only debate here in the Congress is over whether we slowly strangle Saddam with sanctions or immediately pursue a military solution," he insisted. "The choice is really over tactics." Robert Michel, the House G.O.P. leader, countered that those seeking to rein in the President's war power were creating a "brass choir of indecision, doubt and confusion."

While Congress debated, the White House continued to canvass for votes. On Thursday the President called in 17 Senators, including seven Democrats, to solicit their support. Next morning, more than 100 members of the House munched through a snowstorm to a White House breakfast at which the President pleaded for their backing. Said Bush: "The last, best chance for Saddam Hussein to get the message is in your hands." To counter pro-sanctions arguments, CIA Director William Webster sent a letter to the Hill asserting that even if the embargo remained in place for six months to a year, it would not force Iraq from Kuwait.

In contrast to the President's aggressive lobbying, the Democratic leadership took a more hands-off approach toward rank-and-file Congressmen. House Speaker Tom Foley argued that arm-twisting was not the right way to influence colleagues on what he termed "a matter of conscience," but that deferential stance probably cost antiwar Democrats precious votes.

Even though Congress has now spoken, Saddam Hussein, no great student of the democratic process, may still conclude—particularly from the relative closeness of the Senate vote—that the U.S. is hopelessly divided and lacks the resolve to go to war. That would be a grave mistake. Armed with the U.N. resolution, congressional approval and his own strong conviction that Baghdad's aggression cannot go unanswered, Bush will almost surely unleash his forces soon if Iraq does not withdraw. But unless that conflict is short and successful, with relatively low casualties, the divisions in Congress and in U.S. public opinion will rapidly grow sharper—and so will Bush's headaches.

—Reported by Hays

Gorey and Nancy Traver/Washington

The Presidency

Hugh Sidey

The Cold Hand of War

In the grillroom of Washington's Metropolitan Club, a venerable institution once presided over by General William Tecumseh Sherman, the father of modern warfare, the diners grew silent last Wednesday when Secretary of State James Baker appeared on a television screen to declare that his talks with Iraqi Foreign Minister Tariq Aziz had failed.

The cold hand of war was once again claiming the capital. Next day a White House security man spotted a suspicious bundle, and suddenly the iron gates clanged shut. Pennsylvania Avenue and the sidewalks in front of the mansion were swept clear of people and traffic. Police cars, lights flashing, came in convoys until the package was found to be harmless.

Historian William Seale wondered if this was not the first time that the city had been caught up in the drama of a "scheduled war" since 1898. Back then, debate swirled for weeks as Washington matrons in their taffeta ruffles watched from the congressional galleries, and finally the weary William McKinley gave in to the fevered Congress and the U.S. went to war with Spain.

Other students found echoes from 1860, when the North and the South amassed troops and arsenals and the muddy streets of Washington were churned by dashing horses carrying men to desperate meetings—all in vain—to stave off the coming apocalypse that some sensed, but most did not.

This time there are fewer illusions and no jaunty warriors or exultant emissaries. Television has brought the world into the galleries and to the White House. The foe is half a globe away, and the destructive forces gathered in the Saudi desert bear no comparisons to the minieball and grapeshot.

Yet some things never change. The men who argue travel in dark limousines, not carriages, but they go over the same routes and to the same places. The agencies that must make war if it comes—in this age, the Pentagon, chiefly—are as before swept up in a riptide of dread, a mixture of the pall of death and the exhilaration of using the awesome machine they have designed. The Pentagon last week worked around the clock, its corridors filled with wary brass and eager arms merchants.

Gallows humor, as it has throughout our history, made its comeback. Performer Mark Russell kept his political jokes up-to-the-minute. "Bush said that with the U.N.'s permission the sneak attack on Iraq will begin Jan. 15 . . . Jim Baker and Iraqi Foreign Minister Aziz met in Geneva. Mr. Aziz brought his family, all his belongings and his résumés."

At such times in the past, the floors of the two houses of Congress have become the people's exchange, and it was that way again last weekend for the war-powers debate. No Washington matrons showed up in taffeta, but the galleries were filled with a cross section of Americans, most young, many in uniform.

Down below, the lions stalked one another, plainly sobered by the moment but relishing their time in the spotlight. In the Senate the towering Daniel Patrick Moynihan of New York stood in the back row in brown suede shoes to plead his case. Massachusetts' Ted Kennedy, not so long ago a wild political youngster, rose as a silver-haired patriarch. Near him, Iowa's Tom Harkin, popping pills to settle an unruly stomach, his hair a little too long for a true corn-belt troubadour, watched and waited to gather up some of the moment's somber glory. History is made of such things in such times.



This time around there are fewer illusions

The Gulf



Air power: U.S. and allied combat planes, like this F-4G, should provide an overwhelming advantage

Advantage: the Alliance

Vast superiority in aircraft, tanks, training and logistics should help the U.S. score a quick knockout in a battle with Iraq

By BRUCE VAN VOORST SAUDI ARABIA



As the U.S. Air Force F-15E fighter-bomber lifted off from a Saudi airfield, deadly Sparrow and Sidewinder air-to-air missiles glistened beneath its wings. Not far away, in the Persian Gulf, sailors on the battleship *Wisconsin* ran through training drills with their 32 Tomahawk cruise missiles, each capable of hitting targets 700 miles away with a 1,000-lb. conventional warhead. At a desolate desert site in north-east Saudi Arabia, tanks of the U.S. 1st Marine Division blazed away in live-fire exercises. In the last nerve-racking hours before "K-day"—the U.N.'s Jan. 15 deadline for Iraq to get out of Kuwait—U.S. troops were understandably edgy. But they had little doubt that they were capable of smashing Saddam Hussein's army. "We're ready," is all that Brigadier General Mike Myatt, commander of the 1st Marines, would say. But his remark spoke volumes.

Such confidence, widely shared by rank-and-file soldiers, contradicts the more cautious assessments of some senior commanders. They maintain that it will be mid-February before their troops are fully prepared for combat. But a firsthand

inspection of the frontline forces suggests that Myatt's optimism is justified. The U.S. and allied soldiers already in place seem capable of delivering an overwhelming blow against the Iraqis. Even worse from Saddam's viewpoint, the alliance is growing stronger with each passing day. By K-day, 430,000 U.S. and 245,000 allied soldiers will square off against 605,000 Iraqi troops.

When asked to predict the outcome of a war against Iraq, senior officers invariably quote Clausewitz's warning about the "fog of war"—the uncertainties that inevitably crop up in combat. Even so, it seems possible, perhaps even likely, that the U.S.-

led alliance could score a reasonably quick knockout. The awesome arsenal that the coalition has assembled in the gulf provides it with overwhelming military advantages. "I look at the scenarios," says an Army colonel, "and I just don't see where Saddam's army is going to hide."

Though there is justified skepticism that air power alone can defeat Saddam's forces, it remains the key to allied victory. Pounded by a savage aerial assault unlike anything they experienced in their war with Iran, some Iraqi units might collapse. The U.S., Saudi and British air forces have a combined strength of more than 1,500 combat aircraft, enough to mount close to 2,000 bombing sorties a day against Iraqi targets. The initial attack would be led by radar-evading F-117A Stealth fighter-bombers and sea-based Tomahawk cruise missiles, attacking key Iraqi military and infrastructure facilities. In the second phase of the air campaign, hulking Air Force B-52s, F-111s and F-15Es would join Navy E-4s and A-6s in striking Iraqi ground installations, from water-purification works to command and control centers and airfields.

If all went well, the Iraqi air force would be swept from the skies within the first couple of days. That would allow the air attacks to be stepped up even more, cutting Iraqi supply and communications lines and leaving the occupation forces inside Kuwait unable to replenish their supplies of ammunition, food and, above all, water. Some U.S. aircraft would be lost to Iraq's enormous ground-defense system, but the toll might be relatively low. Congressman Les Aspin, chairman of the House Armed Services Committee, estimates that no more than 10 U.S. planes a day would be shot down in the initial bombing campaign.

Once the bombing had softened up the Iraqi positions, U.S. ground forces could go into action. Part of the force might swing to the west to cut off Iraqi forces in southern Iraq while other units mounted a frontal attack to smash through enemy defenses in Kuwait. Though military tradition holds that an attacking force must have a 3-to-1 superiority in numbers to be confident of victory, U.S. troops have good reasons for discounting those odds in a battle against Iraq. Among them:



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history. As a result, American soldiers have proved remarkably adaptable, quickly solving many of the unique problems posed by desert warfare. Helicopter-maintenance crews, for example, have learned to prevent the dustlike Saudi sands from damaging their choppers by cleaning filters more often and applying a new epoxy to rotor blades to stanch erosion.

Weapons. Close to 1,000 M1A1 tanks are now in Saudi Arabia, and with their laser range finders, infrared sensors and digital computerized firing systems, they should be able to outrun and outgun the best Iraqi tanks. Soviet-made T-72s. Infantry will navigate with the Global Positioning Satellite system, a book-size receiver that allows them to determine their location within a couple of yards. The big surprise if war broke out could be American Apache and Cobra helicopters. Despite a reputation for maintenance problems, the Apaches in Saudi Arabia have been ready for duty more than 80% of the time. Each Apache is equipped with eight laser-guided Hellfire antitank missiles, and says a maintenance officer, "each Hellfire's a dead tank."

Logistics. U.S. logistical superiority could quickly become a decisive factor. To assure adequate stocks of food, water, fuel and ammunition, the U.S. has mounted the biggest military resupply effort in history. Some 100 transport ships are sailing toward Saudi Arabia. More than 2,500 trucks will deliver weapons and ammunition to the front.

Motivation. In the final analysis, the outcome could turn on the motivation of individual soldiers, and on this count, the U.S. (and some of its allies) enjoys a decided advantage. Early concerns about troop morale have faded. Without alcohol and other diversions, these troops just may be the toughest ever. "Saddam might yet regret having given us time to get ready," said Sergeant First Class Donna Munyon, 33, of McHenry, Ill.

Along with the bravado, there is apprehension. The troops are aware of predictions that perhaps as many as 20,000 of them could be wounded or killed. They are particularly nervous about the threat of Iraqi chemical or biological warfare, and officers have no trouble enforcing regulations that protective gear be carried at all times. Says Specialist Robert Kraus, 20, of Jefferson Station, N.Y.: "There's fear to an extent. I am not saying the Army brainwashes you. But we train so much that we are used to what is going to happen."

The long wait may soon be over. At week's end soldiers were sending home personal souvenirs and items they do not want to carry into battle. Despite their confidence in their mission, it was not easy to look at them and reflect on what might lie ahead. ■

Saddam's Secret Weapon

Will terrorists open a second front in the U.S.?

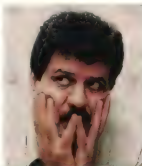


If the U.S. and its allies attack Iraq, Saddam Hussein is all but certain to strike back with a long-range weapon of his own: international terrorism. In a speech last week, the Iraqi leader hinted again at a terrorist offensive when he threatened that if war breaks out he would spread his nation's battle to "the whole world." The most likely targets of terror would be American citizens and property abroad. But shadowy pro-Iraq groups might also try to open a second front within the U.S.

Among Saddam's allies are the Abu Nidal organization, believed to be responsible for some of the most savage terrorist attacks in recent years, and Abul Abbas, mastermind of the 1985 hijacking of the *Achille Lauro*. But Saddam has also larded

ABUL ABBAS

The mastermind of the *Achille Lauro* hijacking, he is one of the world-class terrorists believed to have put his services at the disposal of the Iraqi leader



ABU NIDAL

Another likely Saddam confederate, his group claimed responsibility in the past for the bombing of a Jewish restaurant in Paris and the assassination of Palestinian moderates



Iraqi diplomatic missions with potential terrorists. Says a former member of Saddam's feared secret police, the Mukhabarat: "There are teams outside Iraq ready to do many things. About 80% of Iraqi embassy personnel overseas work for the Mukhabarat."

Last week the State Department announced that it has evidence that terrorists supported by Iraq are planning attacks "in most regions of the world," with the Middle East and Europe the most likely locations. Recently the department has been

getting reports of suspicious characters, some equipped with video cameras, who appear to be staking out U.S. embassies and the homes of American diplomats. Their mission could be to learn the embassies' security precautions and the routes that staff members take to and from work.

State Department spokesman Richard Boucher urged Americans traveling abroad to take extra precautions. U.S. military bases in Germany have already beefed up security. American citizens in the Bonn area have been advised by the U.S. embassy to vary their daily routes. To protect their workers, three U.S. corporations—Ford, Chrysler and 3M Co.—last week banned or sharply restricted employee travel to nearly all destinations outside the U.S.

The prospect that Saddam's sympathizers might strike in the U.S. has federal law-enforcement agencies scrambling. Last

week the government ordered stepped-up security at airports and told nuclear plants to be on guard. Federal agents are photographing and fingerprinting everyone entering the U.S. on Iraqi or Kuwaiti passports. Thousands of the Kuwaiti documents were confiscated by Iraqi occupation forces after the Aug. 2 invasion.

The FBI has also begun questioning Americans of Arab descent, including business and community leaders, who are not suspected of terrorism. That has led to accusations that the government is suggesting that the nation's nearly three million Arab Americans are potentially disloyal, as it suggested about Japanese Americans during World War II. "If the FBI suspects somebody, go get them," says Fozzi Ahoury, a San Diego businessman who was questioned last week. "But don't go after people because of their ancestors."

William Baker, assistant FBI director for criminal investigations, says agents are merely putting out the word that Arab Americans should contact the FBI if they come across any information that might prevent a terrorist act. A second purpose of the FBI visits, he says, is to assure Arab Americans that if they are harassed, agents will launch investigations into possible civil-rights violations. Those are worthy objectives. The trick for the FBI is to achieve them without becoming another source of harassment.

—By Richard Lacayo.

Reported by Sylvester Monroe/Los Angeles and Rhea Schoenthal/Bonn, with other bureaus

Anxiety Before the Storm

As the belief that war is inevitable sets in, Americans are gripped by a strange combination of resignation and resolve

By LANCE MORROW



Americans mostly wanted to change the channel. They may have been depressed and a little stunned to discover that they could not.

It had seemed a strange, unsatisfying story: The Iraqi came down like a wolf on the fold (Kuwait). The posse formed and then spent 5½ months announcing what would happen to the wolf if it did not stop gnawing on the carcass.

The interval between August and January took on a peculiar unreality—a psychological suspension, an air lock between Saddam's offense and the retaliation against him, between peace and war. The world went on hold. Disturbances that in other times would have riveted attention—the Soviet crackdown in Lithuania, the fighting in Somalia—became secondary. When violence is so elaborately laid out in advance, when it is both insistently menacing and hypothetical, it loses spontaneity. The waiting makes war seem unnatural. By last week so much premeditation had given a certain pallor to the American mood, a sense of resignation, of mingled apprehen-

sion and anger: a kind of chill where passion is supposed to be blazing up at the start of a war. The country had worn itself out, a little bit anyway, by revving its aggressive engines so hard without taking off the brakes.

In World Wars I and II, in Korea and Vietnam, America joined conflicts already in progress. In the gulf, the U.S. and its allies would be starting war out of a long, calculated pause, proceeding from that deliberative cool into violent heat. The circumstances made Americans feel surreal, not entirely sure of themselves, and somewhat clammy.

Much of the nation's opinion was clustered in the cautious middle ground. Americans were not yet sounding especially jingoistic or bellicose. John Barry, an insurance underwriter in Troy, Mich., expressed a characteristic note: "Bush has given ample time for Iraq to leave Kuwait. I think we've got to act according to our word. We can't say we're going to militarily evict Iraq from Kuwait and then not do it. We've spent too much time and money to just whistle in the breeze and not do anything."

The words that many other Americans

used were "doubt" and "inevitability" and "get it over with" and "not happy about it, but..." and "between a rock and a hard place." Opinions came out modulated by sadness and resignation. Mary Tom, a legal secretary in San Francisco, related, "The situation really hit home with me when my brother-in-law, a nurse, went on active duty. I think war is imminent. I don't support it, and I never have. Hush has backed himself into a corner by giving them a deadline. The first strike will kill a lot of people on both sides. The sad thing is there isn't much we can do about it. It all boils down to oil."

Few questioned that Saddam Hussein is a villain who raped Kuwait and must be removed. Saddam made it easy by being a sort of caricature of an enemy, a heavy out of professional wrestling. There seemed no chance that he would be adulated as, say, Ho Chi Minh was during the Vietnam War. The question in Americans' minds was whether Saddam should be forcibly, militarily, removed now, or squeezed over many months by international sanctions. After the Geneva talks broke up last week, Americans seemed resigned that war would come. They



Candlelight demonstration: prewar jitters have given birth to a new peace movement

Has Bush done enough to secure a peaceful settlement with Iraq or has he been too ready to go to war?

Done enough 51%
Too ready for war 40%

Should we continue the economic sanctions against Iraq or take military action?

Continue sanctions 45%
Take military action 41%

If there is to be a war, should it be soon after the Jan. 15 deadline or should we wait a while?

Soon after 54%
Wait a while 40%

Survey by Harris Interactive for TIME. Conducted Jan. 14-15, 1991. Margin of error: ±3.5%.

thought it was necessary, but they did not much welcome it. "I think it's stupid. I don't like why we're there," said Brian Scanlan, 34, a Boston carpenter. "But I feel it's inevitable."

In Phoenix an engineer named Darin McDaniel expressed the same somewhat unhappy sense of a nation performing an international service in which it did not entirely believe: "I would have decided not to fight before Bush got us up to this point. He's already closed the door. The only thing to do now is finish it off. I'm for getting it over in a hurry."

The purely hawkish chords were audible too, of course. "We have to go in there and do tremendous damage," said Chicago dentist Jerald Schwab. "We have to wipe out the military capability of Saddam Hussein permanently and totally. If we don't go to war, we are going to have much greater problems in the future." In Jacksonville an insurance agent by the name of George Bush, who is no relation to the President, said, "We have no other alternative but to go in before Saddam Hussein makes it worse. This maniac only answers at the point of a gun, I'm afraid." Insurance agent Bush worries, however: with three nearby naval bases, the Jacksonville suburb of Orange Park has a large number of reservists and military personnel among its residents. Bush wonders how they will pay their bills if they are sent to the gulf. "I insure a lot of doctors and professional people. A lot of them have big mortgages and big staffs." Bush hopes the war will be over quickly.

Some Americans escaped into a wistful fantasy that Saddam Hussein would vanish, the hard way. Said Leigh Ginn of Dallas Bluff, Ga.: "It seems like the CIA has

the power to do that. It sounds like I'm a murderer, but goodness, look at the people he's going to murder if there's a war."

An antiwar movement was forming, though not in large numbers. A group of protesters in the Senate gallery were arrested for disrupting the debate on the war. A coalition of Protestant leaders said, "We call upon the churches and upon the nation to fast and pray for peace, to pursue every means available of public dialogue and popular expression to find a way out of certain catastrophe." Bishop Walter F. Sullivan of Virginia said Catholics in the military should consider laying down their arms if war breaks out.

A Catholic priest, Michael Pfleger, whose parish is located in one of Chicago's poorest neighborhoods, declared, "If George Bush wants to set deadlines, he could set deadlines on unemployment, apartheid, homelessness. He has been hell-bound for months on war. I have never heard a President talk so much war talk in my lifetime." During Vietnam, American labor unions and blue-collar workers tended to support the war. This time, the presidents of nine major unions argued for a peaceful solution.

The old cracks that Vietnam made in American society remain visible. That war divided the nation into those who believe that the use of force is a necessary evil and those who think it is plain evil. Some fear that Americans are now too remote from the realities of war to understand what they mean. "I was in Vietnam in 1969-70, and the more I think about war in the gulf, the more I tremble," said Bud Shumake, 42, a service manager for Pacific Bell in California. "The consequences are going to alter

our lives forever. I don't think people in America are aware of just how devastating a war can be, not just for a soldier in battle but for generations to come."

American veterans of World War II are pretty much united on the virtue of the battles they fought. But from Vietnam, Americans drew different lessons about the uses of power. To one group, Vietnam instructed: Never again. To another, the war counseled: Next time, do it quickly and decisively. There remains a moral chasm: on one side, a reflexive, almost Quakerish pacifism; on another, a hard-boiled, Machiavellian mind-set.

Kathleen Kaneko Lopes, a legal assistant in Berkeley, is the mother of four sons, ages 9 to 21. Said she: "There's got to be a real good reason to donate one of my son's lives, and this isn't one of them. Americans would rather pay more for their gasoline than give up their sons. If Neil Bush had to go, George would be a little more anxious. I don't think Barbara would let Neil go."

But the American mood, so tentative and troubled on the eve of a prospective war, is subject to what may be astonishing change once a war comes. Some have said that the sight of body bags bringing home American soldiers may arouse antiwar sentiment. In the short term, anyway, the reverse effect may be more likely. If Americans begin to die at the hands of Iraqis, the nation may become inflamed and far more belligerent than it is now. Americans are a warlike people, once their blood is up. If they are roused from the dreamlike unreality of recent months and face real, unavoidable combat, they may become focused, and fierce in a way that will surprise even themselves.

—Reported by Michael Duffy/
Washington, with other bureaus



The clash of opinion: pro-war and antiwar demonstrators fight it out in California

Iraq says it will consider withdrawing troops from Kuwait only if the U.S. agrees to an international conference on Palestinian and Middle East issues. Should we agree to this precondition or reject it?

Agree is	39%
Reject	61%

Two Iraqi goals in Kuwait are to control the oil fields stretching across the Iraq-Kuwait border and to gain a sea outlet on the gulf. If Iraq were to withdraw its troops from all of Kuwait except these areas, should we accept this or go to war?

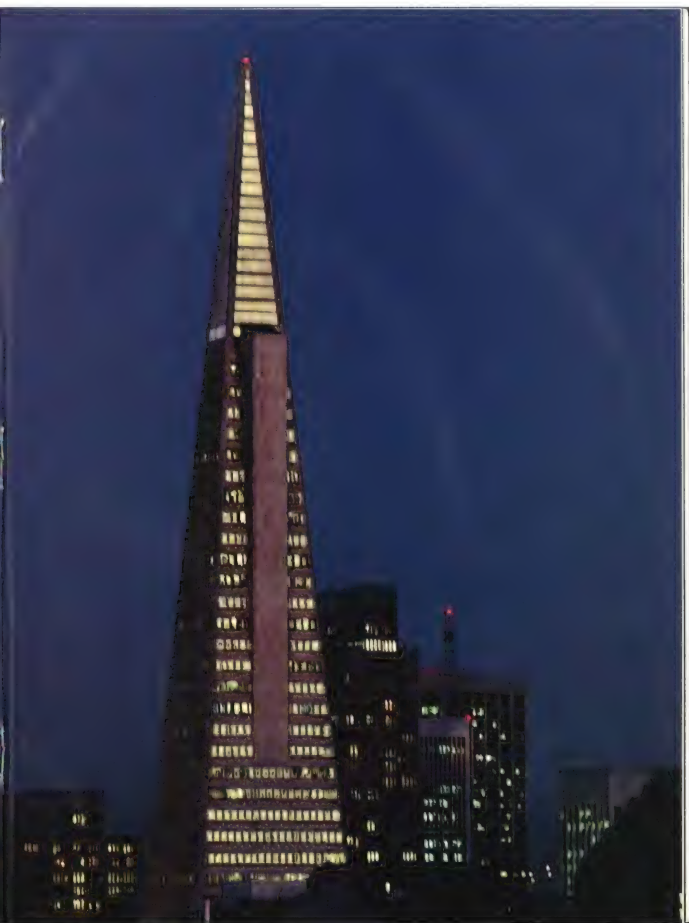
Accept situation	34%
Go to war	49%

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Can Sanctions Still Do The Job?

Given time, the embargo would cripple Iraq, but that does not mean Saddam would pull out of Kuwait

By BRUCE W. NELAN



One of the draft resolutions Congress considered but did not pass last week called on President Bush to postpone military action against Iraq and give sanctions time to work. That is the approach most senior Democrats on Capitol Hill favor, along with a significant portion of the U.S. public and some of the other 27 countries arrayed against Saddam Hussein in the gulf. Said Senate majority leader George Mitchell: "I don't think we should go to war. I believe that the correct policy is to continue the economic sanctions."

The U.N. Security Council last Aug. 6 ordered all member states to cut off trade and financial dealings with Iraq. Only nine days later, George Bush said in a speech at the Pentagon, "Sanctions are working." But last month Secretary of State James Baker was telling the Senate Foreign Relations Committee, "They haven't worked." Behind this seeming flip-flop were differing interpretations of what it means for sanctions to work.

In one sense—the ability to damage Iraq's economy—the embargo and blockade are undeniably working. Iraq is especially vulnerable to sanctions; its foreign-exchange earnings depend almost entirely—some 95%—on oil exports, and shipments have been shut off, depriving Baghdad of more than \$1.5 billion in sales every month. Its imports of food and industrial goods have also been squeezed to less than 10% of the quantities Iraq consumed before its invasion of Kuwait last August.

Historically, economic pressures have failed more often than they have succeeded. Usually they were too narrow, like those imposed by the U.S. on Poland after martial law was declared in 1981, or poorly policed, like the U.N. oil and arms embargo directed at South Africa. But the sanctions against Iraq are more potent than any since World War II, says Gary Hufbauer, a professor of international finance at Georgetown University. Everything moving in and out of the country is affected, and much of the world is participating. Observes Hufbauer: "This



The embargo has taken a big bite out of the economy, but food is not short in Baghdad

is isolation of magnificent proportions." The most authoritative Administration evaluation of the effects so far has come from CIA Director William Webster, who predicts that Iraq's military effectiveness will begin to decline between July and the end of the year as spare parts are exhausted. Iraq, he said, should run out of foreign-currency reserves by spring, "leaving it little cash with which to entice potential sanctions busters" to run the blockade.

Patrick Clawson, a resident scholar at the Foreign Policy Research Institute in Philadelphia, is convinced that the Iraqis "will be in desperate straits by the end of 1991." There is general agreement among civilian experts that the sanctions will in-

flit severe damage in one to two years. But Clawson adds, "We're seeing a slow deterioration, not a collapse."

This is where the ambiguous word working takes on another meaning. The U.S. and its coalition are not seeking simply to punish Iraq by destroying its economy. They have pledged to force Saddam to withdraw from Kuwait. It is impossible for anyone on either side of the debate to prove that slow deterioration, no matter how prolonged, will accomplish that objective. As the U.S. learned recently in its dealings with Panamanian leader Manuel Noriega, even wide-ranging sanctions may not coerce a conscienceless dictator.

By increasing food production, tightening rations, cannibalizing spare parts, shifting factory production to high-priority items and producing domestic substitutes for certain imports, Saddam is extending his ability to wage war. After an eight-year battle with Iran, Iraqis are accustomed to shortages and improvisation. "They can take a lot of economic punishment yet," says Michael Dewar, deputy director of London's International Institute for Strategic Studies. Saddam has already announced that his armed forces have first claim on resources.

At his congressional testimony last month, Webster added that in spite of the damage sanctions were doing, there was no guarantee that they would be sufficient to drive Saddam out of Kuwait. In the midst of last week's debate, he repeated his assessment in a letter to House Armed Services Committee chairman Les Aspin.

"Even if sanctions continue to be enforced for an additional six to 12 months," the CIA director wrote, "economic hardship alone is unlikely to compel Saddam to

TAKING INVENTORY

On Jan. 15 the sanctions will have been in place for five months and nine days.

Here is a status report:

- Iraq will run out of foreign-currency reserves by spring
- The embargo has cost Iraq 50% of its GNP
- Bread, sugar and soap are rationed
- Imports of industrial goods, raw materials, semifinished goods and machinery have been reduced by more than 90%
- Scarcity of tires, spare parts and lubricants is idling buses, cars and taxis
- On average, per capita food consumption in Iraq is estimated at 1,800 calories a day, down from 3,100 before sanctions
- The country's military effectiveness will begin to decline in six to 12 months

TIME Staff

retreat from Kuwait or cause regime-threatening popular discontent in Iraq." An additional six to 12 months of sanctions, Webster added, would "diminish" the defensive strength of Iraq's air force and produce a "marginal decline of combat power" in its armor and artillery. But the ability of Iraqi ground forces to defend Kuwait "is unlikely to be substantially eroded."

Time, or the lack of it, is the key factor in the White House's new evaluation of sanctions. If it were not, a sustained blockade would eventually significantly weaken the Iraqi military and possibly even touch off a coup against Saddam. But the U.S. must worry about the steadfastness of its allies. France is already breaking ranks with Washington in its effort to put together a deal that might tempt Saddam. Moscow's support is open to question now that Foreign Minister Eduard Shevardnadze has announced his resignation and the military high command, where many have long been partial to Iraq, is regaining clout. Saudi Arabia, Egypt and Syria are nervous about keeping so many U.S. troops in the region indefinitely. The entire coalition

could come unglued if the sitzkrieg continues much longer.

Other problems add to the time pressure. Kuwait is being looted and terrorized; its existence as a nation is in danger. Saddam is fortifying the conquered territory with concrete bunkers and fire trenches, and improving his chemical and biological weapons. Even if there is no war, the deployment of American forces in the gulf is expected to cost \$30 billion this year, and every country in the world that imports oil is paying a higher price for it. Even the best of troops cannot be kept on prolonged alert in such inhospitable terrain without losing their combat readiness.

If the decision is made, in spite of these considerations, to wait and see what sanctions could do, the next step would have to be rotation of U.S. troops out of the region. Their numbers would have to be cut to just enough to deter an Iraqi attack on Saudi Arabia. That kind of pullout would give Saddam a propaganda windfall by enabling him to claim a great victory over the foreign invaders. Once again, he could say, the Americans lacked

staying power. After a year or two, even if Iraq's military strength has deteriorated badly, Washington could find it politically difficult to mount either a multinational or a unilateral attack on Iraq.

Sanctions were imposed last August because they could be put in place quickly and were a necessary first step in responding to Saddam's aggression. Bush pledged from the beginning that the occupation of Kuwait "will not stand," and repeatedly refused to exclude any options, including military force.

But Bush's initial rhetorical enthusiasm for sanctions and his engineering of a burst of U.N. resolutions convinced many people in the U.S. and elsewhere that he thought economic pressure, combined with the threat of force, could do the job. They were understandably startled when he almost doubled the size of the U.S. force in the gulf last November. But that military momentum and the Security Council's deadline of Jan. 15 for an Iraqi retreat probably make any further discussion of the utility of sanctions academic. Time has just about run out.

—Reported by William Mader/London and J.F.O. McAllister/Washington

Looking Over Their Shoulders

After protracted debate with press executives, the Pentagon last week imposed its "final" rules for covering combat in the gulf—and leading news organizations promptly labeled them unacceptable.

At every stage, effective control of a correspondent's work will be in the hands of the military officers he or she is with. Coverage at the front will be permitted only for Pentagon-organized pools of reporters under constant military escort. In World War II, Korea and Vietnam, by contrast, individual journalists could make arrangements to rove the war zone—at their own risk, of course—and the use of pools was rare. All stories from the gulf will have to be submitted to prior military review and may face delays in cases of dispute. No such restrictions existed in Vietnam, and Pentagon officials agree that no significant breaches of security occurred as a result.

Similar press rules have been grudgingly accepted by British reporters who will cover their nation's 30,000-plus troops in the gulf. French journalists must individually sign a four-page charter imposing comparable restrictions in order to gain access to their 10,000-member gulf force. In both nations, law and tradition make it easier for the government to control the wartime press than in the U.S. The British believe stringent controls over press coverage in the Falkland Islands war contributed greatly to the success of the effort. London firmly believes that to enjoy public support, war must be conducted beyond the public's view. The Pentagon apparently now concurs with the British view.

As soon as the Pentagon's rules were made final, the presidents of the four major TV news networks sent a letter of protest to Secretary of Defense Dick Cheney. So did editors of the *Washington Post*, the *Chicago Tribune*, the *Philadelphia Inquirer*, *TIME* and the *Associated Press*, while the *New York Times* issued a similar statement. The network presidents charged that the rules "go far beyond what is required to protect troop safety and mission security... and raise the specter of government censorship of a free press." The A.P. protested



The military is determined not to lose the war in the headlines

a ban on reporting "details of major battle damage or major personnel losses" until announced by the Pentagon. "You could drive an Army half-track through this provision," said A.P.'s Washington bureau chief, Jonathan Wolman. An A.P. reporter was among those whose copy was censored by the military in a 1987 incident, not only to remove operational details about a U.S. escort for Kuwaiti tankers but also to delete the fact that two U.S. officers had conferred "over a beer." The scrutinizer said the description "looked bad."

Despite the pressure, Pentagon spokesman Pete Williams insisted that any nonpool reporter who tried to observe U.S. troops in action would promptly be "escorted back to a rear unit and, as soon as possible, back to Dhahran." Many Americans would like to believe that the Vietnam War was not lost on the battlefield but in the headlines. The Pentagon denies it shares that view, but its actions gain-say its words.

—By William A. Henry III.
Reported by Stanley W. Cloud/Washington and Frank Melville/London

Israel in the Target Zone

If Saddam attacks the Jewish state, Bush hopes Jerusalem will let the U.S. strike back and keep the coalition united

By JON D. HULL JERUSALEM



Just after 10 p.m. local time, phones rang, beepers went off and dinner parties were interrupted by aides handing messages to senior Israeli officials. Secretary of State James Baker had just emerged from his meeting with Iraqi Foreign Minister Tariq Aziz in Geneva and announced that the talks had failed. That was good news to members of Prime Minister Yitzhak Shamir's government, who dreaded a deal linking the gulf crisis with Israel's occupation of the West Bank and Gaza. But their sense of relief did not last long. Appearing before reporters about an hour later, Aziz was asked whether Iraq would respond to a U.S. attack by striking Israel. His chilling reply: "Yes, absolutely, yes."

Despite the Shamir government's efforts to maintain a low profile throughout the crisis, Saddam Hussein once again succeeded in yanking Israel back to center stage. Only this time, Israel responded by ending its game of hide-and-seek and adopting very public preparations for striking back. "Our pilots are in their cockpits," declared air-force commander Avihu Bin-Nun on state-owned television as he stood in front of a fully armed F-15 equipped with external fuel tanks for

the more than 500-mile trip to Baghdad.

Aziz's words unnerved U.S. officials, who realize that Iraq's threats contain a brutal logic. If Saddam can strike even a limited blow against Israel, he may be able to recast the gulf conflict into an Arab-Israeli war, forcing some of Washington's Arab allies to abandon the coalition and perhaps even compelling Syria to switch sides. That gamble must have seemed all the more tempting last Wednesday, when President Hosni Mubarak was quoted as warning that Egypt would reassess its position if Israel became involved—though he conceded later that "Israel has a right to defend itself."

Despite Iraq's rhetoric, its forces are incapable of dealing a devastating blow to Israel. Israeli fighter pilots should be able to shoot down most, if not all, incoming Iraqi jets before they reach the country's borders. Jerusalem calculates, however, that Baghdad would be able to fire 10 to 20 of its modified Scud B missiles before Israeli or U.S. warplanes destroyed the launching bases in western Iraq. And Israeli defense planners consider Iraq's Sukhoi-24 long-range bombers an even greater threat than the Scud B missiles, which are notoriously inaccurate. Iraq is believed to have 25 of the advanced Soviet-made warplanes, which can make the round trip to Tel Aviv without refueling and which boast terrain-hugging radar. If even a single SU-24 slips through Israel's

defenses, it can deliver a seven-ton payload with pinpoint accuracy. By comparison, each stripped-down Scud can pack only 662 lbs. of conventional explosives or 331 lbs. of chemical weapons.

Aziz was careful to qualify his latest threat, vowing to strike Israel only if his nation is first attacked by the U.S.-led forces. His statement may have been disingenuous. If Saddam truly intends to embroil Jerusalem in the conflict, he'll have to use his weapons before they are destroyed on the ground by a massive U.S. air strike.

Eager to keep Israel on the sidelines, Washington has put intense pressure on Shamir to prevent him from launching either a pre-emptive or a retaliatory strike, holding out the prospect of increased economic and military aid as well as intelligence sharing. During a meeting with Shamir in Washington last month, President Bush pressed the point but failed to get a firm commitment. Says a senior U.S. official: "You never really know what the Israelis are going to do until they do it."

For now, Israel is unlikely to hit first, judging that the political fallout would outweigh the military benefits. If the U.S. detects that the Iraqis are fueling and preparing missiles aimed at Israel, a process that takes five to seven hours, it will probably try to destroy the launchers. But if Jerusalem detects signs of an Iraqi strike, Shamir may be impossible to restrain.

Washington has already volunteered to retaliate on behalf of Israel if it is attacked. Surprisingly, even a number of Israeli military experts, including former Defense Minister Yitzhak Rabin, have suggested that Israel should think twice before responding to an Iraqi assault if the damage is light. But Foreign Minister David Levy sternly rejected that advice last week. "Israel is not cannon fodder," he warned, and "cannot allow itself to be attacked without responding, just to preserve some coalition which is following the U.S."

As a matter of principle, any Israeli retaliation is certain to be far more punishing than the damage caused by an Iraqi attack. The degree will depend on the number of Israeli casualties and whether Iraq uses chemical weapons. If an Iraqi strike is largely symbolic, causing little or no damage, Jerusalem is expected to calibrate its response accordingly, hitting a few select targets, including the missile bases in western Iraq. Or it may acquiesce to pressure from Washington and let the U.S. do the job.

If Baghdad kills dozens of Israelis with conventional



Israeli Defense Minister Arens visits a live-fire exercise by a paratroop brigade near the Jordanian border. If Jerusalem detects signs of an imminent Iraqi strike, Shamir may be impossible to restrain.

A Supplemental Restraint System (SRS) with driver-side air bag has been standard in every Mercedes-Benz since 1985. On many models, the system now includes both driver and front passenger air bags.

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A crash course in Mercedes-Benz

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warheads or drops even a single chemical weapon on the Jewish state. Israeli leaders vow that the response will be devastating, even if Shamir has to defy Bush. Within hours, say military officials, dozens of key military installations in Iraq, including chemical, biological and nuclear facilities, would be in flames.

That task won't be so simple. Once Israeli jets head for Iraq, they must coordinate with U.S. forces or risk being misidentified as enemy planes when they head back from Iraq. But Israeli and American military sources deny speculation that a joint strategy exists, and complain that communications are dangerously inadequate. But Israel is reluctant to disclose its war strategy for fear that the Pentagon will attempt to veto its plans. And Washington refuses to provide greater access to U.S. electronic-surveillance intelligence, concerned that the information might encourage the Israelis to strike Iraq. Although Shamir and Bush talked twice by phone last week, Shamir says "more coordination" is necessary. Other Israeli officials privately warn of a potential disaster once the region's radar screens fill up with blips heading for Iraq.

Even a minor air war between Israel and Iraq would send shock waves throughout the Arab world, where public opinion instinctively backs any attack on Israel. But if Israel acts with restraint and in self-defense, U.S. officials believe they can hold together the delicate Arab alliance. A large-scale Israeli counterattack, however, could ignite a second war in the region. An Iraqi-Israeli battle, for example, would entail massive violations of Jordanian airspace, confronting King Hussein with a critical dilemma. Diplomatic sources say Jordan and Israel have held secret contacts to clarify their positions. Israeli officials, who are acutely aware that any confrontation with Jordan could prompt Syrian intervention, stress that Israel will strike Jordanian air defenses only if Israeli planes are first attacked by King Hussein's jets. For now, Israeli strategists assume that King Hussein will lie low. Given the sympathy for Iraq among Jordanians, that might not be easy.

None of these dangers have shaken the Israeli government's conviction that a military solution to the gulf crisis is far preferable to a diplomatic deal. As Israeli TV broadcast civil-defense advisories and the army ordered a partial mobilization of reservists last week, Shamir continued to sound upbeat about the prospects for battle. "If a war begins tomorrow and if it lasts just a few days, everybody will be happy," he said. Even under those circumstances, however, Shamir's joy may be short-lived: once the conflict with Iraq is settled, the U.S. is certain to increase pressure on Israel to work out a compromise with the Palestinians. —With reporting by Ron Ben-Yishai/Tel Aviv and Dan Goodgame/Washington

America Abroad

Strobe Talbott

Mosque vs. Palace

RIYADH

The U.S. Navy lieutenant was off duty and out of uniform. For a shopping trip in downtown Riyadh, she had put on an *abaya*, the head-to-toe, long-sleeved robe that Saudi women usually wear in public. That wasn't good enough for the *mutawa*, the vigilantes who enforce Muslim religious laws against impiety and immodesty. A member of the group accosted her as she was entering a shop, prodded her painfully with a long stick and berated her for neglecting to veil her face. A merchant rushed to her defense and explained that she was an American, part of the international effort to save the country. Barely missing a beat, the morals cop switched into English and continued his harangue more angrily than ever.

Western influence in Saudi Arabia has reached the point at which an agent of obscurantism and xenophobia can now vituperate against foreigners in their own language. The conservative clergy is still a powerful force here, and it is by no means reconciled to King Fahd's decision to ask infidels to help protect the kingdom.

U.S. experts on the Middle East have been concerned for years that the House of Saud might be vulnerable, not just to opponents who consider the monarchy an anachronism but also to Islamic fundamentalists who would, if they could, turn the country into a theocracy that would make the present regime, even with the *mutawa*, seem futuristic by comparison.

When the Ayatollah Khomeini became the regional monster a dozen years ago, Washington feared he would export his revolution across the gulf. That was one reason the U.S. at the time backed Khomeini's enemy, Saddam Hussein.

Last fall the CIA warned the White House that Operation Desert Shield could, if it continued too long, worsen underlying tensions between mosque and palace in Saudi Arabia. It was largely with that danger in mind that General Norman Schwarzkopf, the U.S. commander, told his officers, "Let's be careful we don't win the war but lose the peace." There's no way nearly 400,000 troops can be invisible, but there are plenty of ways they can respect local customs. That's why quite a few women in the U.S. contingent bought *abayas* before they did any other shopping.

Still, before the Baker-Aziz meeting, several senior members of the royal family had privately told President Bush that they feared "strains in our society" if Desert Shield continues indefinitely and inconclusively. A top Administration Arabist has predicted that if American forces are still camped in the desert during the holy month of Ramadan, which begins in mid-March, the result could be "an increase in clandestine opposition from religious extremists, with possible destabilizing results." Many Saudis reacted with something like relief to the apparent breakdown of diplomacy last week. If there is to be a military moment of truth, better it come quickly.

The fundamentalists suspect, correctly, that Western-educated Saudis hope one outcome of the current crisis will be to accelerate the process of modernization. If a war against Saddam is quick, decisive and not too bloody, the reformist elements in Saudi society will feel encouraged to open the country further to the outside world. The U.S. men—and women—now in Saudi Arabia may not be fighting directly for democracy, but they could end up contributing to the liberalization and therefore the long-term viability of the kingdom. ■



A possibly destabilizing force

Where Dread Fills the Air

On the eve of what looks like war, the inhabitants of Baghdad hope for the best but prepare for the worst

By SCOTT MACLEOD BAGHDAD



Jamil Roubayee, a 32-year-old doctor, glances around the emergency room and tugs nervously at the stethoscope in the pocket of his white coat. On one side of the ward lie four elderly men who were rushed to Baghdad's biggest hospital, the 12-story, powder blue Saddam Hussein Medical Center, after suffering heart attacks. On the other side are two ailing

about it. We hope there will be no war."

Yet the mood in this city of nearly 4 million is that there will be war, and as each day passes, the gloom deepens. As foreign diplomats evacuate their embassies and prepare to fly out of the country, Iraqis wait at service stations in lines 30, 40, 50 cars long to buy enough gas to make sure they can drive out of the city in case of attack. The government closed the museums and moved its Babylonian and Abbasid treasures to bomb shelters. Many Iraqis were putting tape over their windows to



A child wheels another past portraits of the man who precipitated the crisis

Officials ordered basements converted into bomb shelters, and the newspaper offered advice.

women as well as a little boy afflicted with sickle-cell anemia. Because of the international blockade against Iraq, Roubayee says, the hospital lacks antibiotics and other medicines necessary to treat the patients. At least one of the men will soon die, he predicts, and the boy may lapse into a coma.

As conditions deteriorate by the day, Roubayee, the hospital's chief resident, can hardly bear to contemplate what will happen next. Once the U.N. deadline for Iraq's withdrawal from Kuwait expires this week, he fears that American and allied planes will bomb Baghdad and that his hospital will be overwhelmed with the wounded. "It will be a disaster," says Roubayee, who once served as a medic in an Iraqi army tank unit. "Doctors are very anxious. You have patients dying in front of you, and there is nothing you can do

prevent shattering in case of bombing. Others are laying in a month's supply of food, getting ready to sit out what their leader has promised will be the "mother of all battles."

Spirits grow darker with each government pronouncement and directive. Officials ordered families to learn safety precautions at 342 hastily organized civil-defense training centers. Some 10,000 doctors, nurses and other medical personnel began undergoing mandatory civil-defense instruction. Officials told the owners of buildings in Baghdad to convert their basements into well-equipped bomb shelters. Iraqi TV showed lengthy footage of soldiers at the front chanting patriotic slogans and saying how ready they were to defend Iraq if attacked by the U.S. The Baghdad newspaper *al-Jumhuriyah* published advice on how to identify a chemical bomb

attack: there will be a muffled explosion with a lot of smoke, leaves will fall from trees, and the ground will quickly become littered with dead insects.

On the palm-studded grounds of Saddam Hussein's opulent presidential palace, anti-aircraft batteries have been moved into position, including two perched atop the triumphal arch at the palace's main gate. Barracks inside the city appear deserted as the bulk of Iraq's army has moved to the front lines in the southern part of the country. Few men of military age can be seen in the city's famed fish restaurants and cafés along Abu Nawas Street. Despite the abundant signs of war readiness, some Iraqis remain perversely secretive about their plans. When a foreign journalist innocently asked his escort whether his family was making preparations for a war, he replied curtly, "I cannot tell you anything. I am from the Ministry of Information."

Saddam Hussein himself put in an appearance at a conference of Islamic leaders, where he promised a jihad against the U.S. unless the grievances of Palestinians were redressed.

Many Iraqis saw the evacuation of diplomatic missions as the most ominous sign of impending war and the possible bombing of Baghdad. Only hours after the failure of the U.S.-Iraqi talks in Geneva, Ambassador Harold Walker and other British diplomats formed a convoy and left the country by driving 300 miles across the desert to the Jordanian border. Three days later, chargé d'affaires Joseph Wilson IV and five other American diplomats evacuated the U.S. embassy and left on a chartered Iraqi Airways flight for Frankfurt. Before their departure, an Iraqi woman was turned away from the embassy with tears streaming down her face.

Even senior government officials, when their guard slipped for a moment or two, appeared wary of what the future might hold. Sitting in his eighth-floor office overlooking the muddy Tigris River, Naji al-Hadithi, director general of the Ministry of Information, turned up the volume on his TV set when CNN aired a story about Iraq. Afterward, fingering red worry beads, he boasted to his American visitors that Iraq held a considerable military advantage in the event of war. "During our war with Iran," he explained, "we lost 53,000 men in order to recapture Fao, one small Iraqi town. In the entire Vietnam War, America lost only 50,000. The party that can endure the most sacrifices is the party that will win."

But later, a little after a muezzin's call to prayer rang out from a nearby mosque, he abandoned his stock lecture. "It seems that Iraq and the U.S. are like two trains headed toward each other on the same track," he said. Pondering that reality for a moment, he looked up and asked quizzically, "What do you think will happen?" ■



Model of the aborted stealth aircraft: over budget and behind schedule, it was a casualty of tightened defense spending and the end of buddy-buddy deals between the Pentagon and its contractors in which costs were allowed to balloon and taxpayers paid the bill

Death of the A-12

No more blank checks, insists Defense Secretary Cheney as he shoots down a \$57 billion Navy attack bomber

By ED MAGNUSON

With the U.S. poised on the brink of war, it seemed an odd moment to shake up the nation's military-industrial complex. But that did not deter Defense Secretary Dick Cheney last week from canceling the Navy's A-12 Avenger attack bomber and sending military contractors the clearest signal yet that the Reagan-era good times are over. The old buddy-buddy relationship between the Pentagon and arms makers who blithely exceeded contract costs and expect taxpayers to pick up the tab has ended.

As the tough-minded Cheney shot down a program that had been expected to produce 620 of the high-tech stealth aircraft at a cost of \$57 billion, he implicitly emphasized another military reality of the 1990s: the U.S. simply cannot afford many of the multi-billion-dollar weapons systems that were started during Reagan's \$2 trillion defense build-

up and now continue to escalate in price.

The attempt by the Soviet Union to compete in this arms race contributed heavily to its economic collapse and may have hastened the end of the cold war. But if the military spending splurge is not sharply curtailed, it could endanger the U.S. economy as well. "We have an unusu-

ally large number of new programs that are hitting a decision on full-scale procurement," explains Gordon Adams, a private defense specialist. "This fiscal blow wave is hitting just as the money is running out."

Cheney's abrupt action showed too that the shriveling of the defense budget is little affected by such immediate emergencies as a potential war in the Persian Gulf. For contractors, the long- and short-term trends are contradictory. As the developers of new weapons systems face increasingly tough times, suppliers who meet the needs of Desert Shield with such items as boots, camouflage netting and gas masks are enjoying an unexpected—but presumably brief—bonanza.

Cheney reached his dramatic decision to scrap the A-12 after a tense six-hour debate in his Pentagon office. Navy Secretary Lawrence Garrett and his top acquisition officials tried to persuade the Defense Secretary and Joint Chiefs Chairman Colin Powell that the Avenger should be



saved even though the program was running \$2.7 billion over its fixed-price contract cost of \$4.8 billion for development alone. It was also 18 months behind schedule.

The Navy suggested the usual fix. It would buy fewer planes than planned and stretch out the delivery dates. Cheney could ask Congress to provide \$1.4 billion in extra costs; the two manufacturers, McDonnell Douglas and General Dynamics, would then be covered and content. Development of the advanced plane could proceed. That was the way contractors and their military supervisors had long done business.

But Cheney was not buying. If he did go to Congress and managed to scrape up the \$1.4 billion, he kept asking, would the contractors then develop the eight prototypes

carrier landings for such a long time has so weakened at least one-third of the Intruders that their pilots have been ordered to restrict certain maneuvers lest the planes fall apart.

The Avenger was designed to carry a bomb load much farther than the Intruder, which can tote 10,000 lbs. over 650 miles. The new aircraft had been seen as ideal for delivering bombs deep into the Soviet Union after leaving its carrier. Its profile on radar screens was less than 20% of that of the Intruder.

With the warming of U.S.-Soviet relations, Navy critics contend, the Avenger had lost the urgency of its main mission. Yet its demise was prompted mainly by a series of scandalous failures that were typical of the way the military acquires most of its big-ticket weapons systems. When the

so much of the work was highly classified that there were not enough competent auditors with clearance to examine the bills.

When top Navy and Pentagon officials belatedly learned of the Avenger mess, they downplayed it and ignored the implications. That led Cheney last April to assure Congress that the program was on track in both time and cost. After he learned that this was untrue, two high Navy officers were removed from supervising the contract and censured; in addition, an admiral was fired, and the Pentagon's top procurement officer resigned. The Justice Department has begun a criminal investigation of whether the contractors overcharged the Navy. And the Pentagon said it will try to recover the funds already spent in excess of the contract terms.

Spokesmen for the two contractors insisted that they had not defaulted on the contract and said they would seek payment of all their claims against the government. They attributed the problems to a recent Pentagon practice that they consider unrealistic: insisting that a fixed price be determined in advance for projects that are, as a General Dynamics spokesman said, "on the cutting edge of technology."

Both companies began carrying out previously announced contingency plans to lay off large numbers of workers. McDonnell Aircraft Co. started to hand out pink slips to some 5,000 workers, mostly in St. Louis, while General Dynamics targeted 4,000 employees for dismissal in Fort Worth and Tulsa.

But if there was gloom over the crash of the Avenger, McDonnell Douglas and General Dynamics have other military projects going to keep them in business. The two companies expect to benefit marginally by selling arms to Saudi Arabia as part of a \$7.1 billion package approved by the Administration last fall in a Desert Shield trade-off. McDonnell Douglas will sell 12 Apache helicopters to the Saudis for \$144 million, and General Dynamics will provide 150 M-1A2 tanks costing \$480 million.

Cheney's crackdown on the A-12 was actually in line with the get-tough policy he has been pursuing for months. He had previously approved the killing of the Marine Corps's V-22 Osprey vertical-takeoff plane, the Navy's Lockheed P-7 antismarine patrol aircraft, the Army's FOG-M (fiber-optic guided missile) and an Air Force plan to place the MX missile on rails. Said a Pentagon official of the new procurement mood: "Programs that are bleeding cannot survive."

—Reported by Staci Kramer/St. Louis and Jay Peterzell/Washington



Facing their pink slips: McDonnell Douglas workers get the bad news in St. Louis

and meet all the contract terms? Or would they run over budget again? "The bottom line was that no one could tell Cheney how much money it would take to finish the development program," explained a defense official. "They couldn't say that \$1.4 billion would be enough. And he wasn't going to write any blank checks."

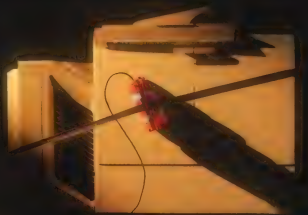
Cheney decided he would not beg Congress for the money now, only to return later and plead for more. He ordered the Navy not to try an end run by seeking out friends on Capitol Hill to find the funds. Then he courageously killed the program. Said Cheney: "If we cannot spend the taxpayers' money wisely, we will not spend it."

The action was especially gutsy since there are no firm plans for an alternative to the Avenger. It was meant to replace the fabled but aging A-6 Intruder, first deployed in 1963, as the Navy's basic carrier-based attack bomber. The stress of jarring

A-12 contract was let in 1988, the McDonnell Douglas-General Dynamics team bid \$1 billion less than its competitor, a Grumman-Northrop consortium. Since the bid was unrealistically low, the Avenger contractors quickly ran into excessive costs and slipped behind schedule.

If that was to be expected, the subsequent behavior of McDonnell Douglas and General Dynamics, both based in St. Louis, was not. According to reports last year by the Navy and the Pentagon's inspector general, the two contractors hid these problems from the Navy officers supervising the work. The manufacturing executives falsified some of their reports, according to the Navy, because they were under intense pressure from their corporate bosses to "maximize cash flow."

The Navy failed to detect the continuing deception because of a persistent Pentagon problem with its advanced projects:



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American Notes



The nonflying flyer

TAXES

A Cheeky Defense

In most cases, ignorance of the law is no excuse. But the U.S. Supreme Court made a rare exception last week, when it ruled

that individuals may not be convicted of federal criminal tax violations if they sincerely believe they are exempt from income tax laws. The 6-to-2 decision set aside the one-year prison sentence and five years of probation imposed on American Airlines pilot John Cheek, who filed no returns for six years. Cheek's defense: he claimed that his salary was not taxable under the IRS code because he believed only gains or profits are income.

Tax chiselers are not expected to benefit much from similar pleas. The decision does not change the obligation of all nonpayers to pay any back taxes due, plus interest and applicable civil penalties. Last week's ruling affects only criminal convictions, which must be based on "willful" violations. Still, dissenting Justice Harry Blackmun blasted the court for encouraging "taxpayers to cling to frivolous views of the law." ■



Yeutter's mild centrism raises conservative hackles

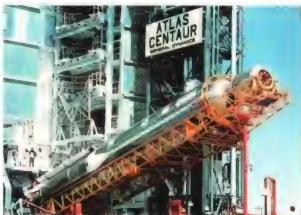
POLITICS

Republican Malted Milk

He may not have been the first choice—or even the second—but last week Agriculture Secretary Clayton Yeutter was George Bush's final choice to become Republican national chairman and replace the ailing Lee Atwater. Ever since former drug czar William Bennett turned down the post last month, claiming it might conflict with his lucrative speech-making and book-writing plans, the Administration has been

floundering in search of an acceptable party chieftain.

Bennett had been expected to bring some peppery conservative seasoning to the 1992 campaign with an ideological offensive against racial quotas. Yeutter's selection suggests that Bush may have opted for blander fare. A former president of the Chicago Mercantile Exchange and a U.S. trade representative in the Reagan Administration, Yeutter, 60, has more experience making pragmatic policy than plotting political strategy. Groused a party official: "We needed strong garlic, and we got malted milk." ■



Look, up in the sky! This rocket set the stage for the fireworks.

SCIENCE

NASA's Light Show

It took the combined resources of NASA and the U.S. Air Force to stage the \$250 million fireworks display, but they promise it will be well worth the price. During the next two weeks, a team of scientists is planning a dazzling light show as part of a project to study the earth's magnetic fields. Fourteen canisters containing barium and

lithium will be released from a satellite orbiting as high as 20,000 miles above the earth, creating a display of luminous red, green and purple clouds over much of North and South America, the Atlantic and Western Europe. Scientists hope that by monitoring the movement of the clouds, they will improve their ability to predict disturbances in the magnetic and electrical fields that surround the earth, and learn how the planet absorbs energy from the sun. ■

INDIANA

Render unto Caesar

Did Monsignor John F. Morales forsake the Almighty for the almighty dollar? That's what federal authorities claimed last week, as they put Morales on trial in Hammond, Ind., along with assorted officials of Steelworkers Local 1014, for skimming profits from a multimillion-dollar bingo operation.

Morales is charged with allowing the game's operators to use first St. Mark's parish in Gary, then Nativity of Our Savior in Portage, as a front to avoid the scrutiny of local authorities. Flyers went out to four states advertising the high-pot Nativity bingo.

On good nights, the games, held at the United Steelworkers' Hall, could allegedly bring

in \$100,000—none of which ever made it into church coffers. In addition, the 56-year-old clergyman is accused of falsifying records on the bingo games, conducting an illegal gambling game and conspiring to defraud the Internal Revenue Service. ■



Monsignor Morales

● SOVIET UNION

The Iron Fist

As Moscow orders troops to the restive republics, separatists conclude that the long-feared crackdown is under way



Convincing show of force: a civilian dodging a tank storming Press House in Vilnius; inset, Lithuania's defeated Prime Minister Prunskiene

By JAMES WALSH

The general growled his warning over the telephone. As elite Soviet paratroopers were ordered into the Baltic republics early last week, Fyodor Kuzmin, the regional commander, rang up the presidents of secessionist Lithuania, Latvia and Estonia with a stony message. If your people obstruct the mission to round up draft dodgers, he said, the troops will shoot. Four days later,

in an atmosphere of mounting confrontation, General Kuzmin kept his word.

Moving to seize Lithuania's self-defense headquarters and main printing plant in Vilnius, armed assault forces opened fire at the plant, known as Press House, shooting into the air and smashing windows. Though most soldiers apparently fired blanks and only one colonel used live ammunition, eight people were reported wounded, one young man shot in the face. As air-raid sirens shrieked across the cob-

blestone streets of the capital's center, angry young civilians at the publishing center surrounded a tank. "Why are you here?" they screamed at a crew member. "What are you doing?" Lithuanian President Vytautas Landsbergis, charging that troops were "spilling blood," placed an urgent call to Mikhail Gorbachev. The Soviet President could not come to the phone, Landsbergis was told; he was having lunch.

Fretful foreign governments wondered whether Gorbachev would countenance

bloodshed to suppress the independence movements. A chilling indication came early Sunday morning. Thousands of unarmed Lithuanians, singing freedom songs, tried to prevent Soviet troops and tanks from taking control of a television tower 3 miles outside Vilnius. Shots were fired, and at least 7 people were reported killed and 70 injured. At least two of the dead had been crushed beneath the treads of Soviet tanks.

The confrontation in Vilnius began to recall events in Hungary in 1956, when the Soviet army moved against a restive population under cover of another Middle East flare-up, the Suez crisis. After a week-long show of force in which armored convoys roamed the city and 1,000 paratroopers secured key buildings, Lithuanians started to form makeshift antitank barricades outside the parliament building.

As tensions grew, Gorbachev provided a dark hint of the Kremlin's intentions. In a strong message to Lithuania's rebellious parliament, he said "people" had lost faith in that body's leadership and "demand the introduction of presidential rule"—in other words, an emergency takeover by Moscow.

In neighboring Latvia, special black beret units from the Interior Ministry mounted a similar show of force two weeks ago, causing fear that presidential rule would soon follow. "This invasion," declared the parliament in Riga, "is only a pretext for starting a large-scale attack on the democratic institutions of Latvia."

A contingent of Baltic lawmakers gathered for a regional conference in Finland went even further. Echoing the warning of Soviet Foreign Minister Eduard Shevardnadze when he abruptly resigned in protest last month, they charged that Moscow's display of the iron fist signaled "the restoration of the power of dictatorship in the U.S.S.R."

That possibility was what worried much of the world. Officials in Washington and Europe held their breath in the hope that Gorbachev the reformer had not changed his spots. They found little reassuring evidence. Troops mobilized to go not only into the Baltics but also into Georgia, Armenia, Moldavia and the restive western reaches of the Ukraine.

By Saturday a military crackdown in Lithuania seemed well under way: armed units seized two Vilnius police academies and the special-forces division, detaining policemen loyal to the Landsbergis government. "There must be law-and-order everywhere," said a paratrooper lieutenant. Thousands of defiant Lithuanians sustained their vigil outside the parliament building, warming themselves around bonfires. But Landsbergis, in a press conference, expressed "very modest optimism."

Gorbachev's new Federation Council, a supercommittee consisting of leaders of the Soviet republics, unanimously criticized the use of force.

"Gorbachev is using the world's attention on the gulf to get away with this," said Geoffrey Hosking, a Soviet-affairs expert at London University. Agreed British Sovietologist Peter Frank: "Gorbachev is showing his steel teeth as he shifts to the right, which he must do to somehow regain control over the country."

Washington called the troop deployments "provocative and counterproductive," but the move leaves President Bush in a quandary. Despite months of insistent appeals for stronger condemnations of Moscow's behavior in the independence-minded Baltics, Bush has rationalized that

But Bush had cause to wonder how solid the Soviet Union's cooperation in the gulf really was. Near the Red Sea, U.S. forces intercepted a Jordan-bound Soviet freighter loaded with military hardware. In a phone call to Bush, Gorbachev affirmed Soviet support for the blockade and the other U.N. resolutions against Iraq, and his lieutenants promised to investigate the shipping incident. Yet Washington also had doubts about whether the Moscow summit would achieve its main purpose: the signing of the first treaty prescribing actual cuts in U.S. and Soviet long-range nuclear weapons. According to U.S. negotiators, the Soviets have been dragging their heels in agreeing on the details.

That reluctance seemed to square with Western intelligence reports that the Sovi-



Hell, no, we won't go: conscription-age young men seeking refuge with the Red Cross in Lithuania

CHILL FROM THE DRAFT

Officially, Soviet troops were ordered into seven rebellious republics to round up draft dodgers. In the autumn call-up, the 4 million-man armed forces fell short of their 1991 draft-fulfillment quota by more than one-fifth. The main offenders sent only:

GEORGIA	10.0 %
LITHUANIA	12.5 %
ESTONIA	24.5 %
LATVIA	25.3 %
ARMENIA	28.1 %
MOLDAVIA	58.9 %

it was more important to support Gorbachev. A thorough crackdown could force him to re-evaluate that position.

More immediately, U.S. officials were murmuring about putting off the scheduled Feb. 11-13 Moscow summit with Gorbachev. Their fear was that Bush might have to stay home if the U.S. was at war in the gulf. But the fresh internal strife in the U.S.S.R., combined with reports that Soviet generals have been cheating on last November's Europe-wide treaty for cutbacks in conventional arms, made the summit look even less desirable.

For the record, White House Press Secretary Marlin Fitzwater insisted the summit was still on. Until Lithuania's ordeal, at least, Bush's investment in the rendezvous remained as heavy as Gorbachev's. The meeting promised to be an important show of solidarity between the superpowers at a time when U.S. forces might be in full assault on Iraq. For the Kremlin it would illustrate that friendly Soviet relations with the West remain on track, even without icebreaker Shevardnadze. Gennadi Yanayev, the new Soviet Vice President, re-emphasized that Moscow's foreign policy will be "just the same."

et military has been quietly circumventing the new treaty reducing conventional forces in Europe. The outright violations, according to NATO observers, consisted of understating the real level of Soviet forces and reassigning three European-based infantry divisions as "coastal defense" units under command of the navy, which the agreement exempts.

Last week the Communist Youth organ *Komsomolskaya Pravda* baldly confirmed that the military had shifted thousands of tanks and artillery pieces across the Urals into Soviet Asia to spare them from the destruction required under the pact. Economist V. Litov, an international-affairs specialist, wrote in the conservative daily *Sovetskaya Rossiya* that the moves were needed to "correct the errors" of Shevardnadze's diplomacy. Litov called on legislators to reject the conventional-arms treaty. But Soviet diplomats were agast. Said the liberal paper *Moscow News*: "The situation has given rise to understandable fears in the West about who is in charge."

Presidential spokesman Vitali Ignatenko scoffed at rumors that the security establishment was ruling his boss. His denial seemed borne out by Gorbachev's ulti-

matum to Lithuania on Thursday. What he called the public "demand" for Moscow to take over in the Baltics actually referred to ethnic Russian demonstrations in Vilnius and Riga orchestrated by Interfront, the anti-independence league of non-Baltic workers in the breakaway republics. Massed outside the parliament building in Vilnius on Tuesday, a wave of these workers broke down the front door before local national guardsmen pushed back the assault with fire hoses. The next day the agitators returned to shout at some 12,000 Lithuanian counterdemonstrators summoned by President Landsbergis to display "our solidarity and determination."

Inside the legislative chamber, however, the republic's leadership was anything but solid. The troop arrivals coincided with the republic's worst internal political crisis since Vilnius declared its independence last March. Prime Minister Kazimiera Prunskiene's government resigned after the parliament voted to rescind hefty food-price increases imposed just a day before. The economic reform drew outraged protests from Lithuania's Russians. Prunskiene, a moderate widely admired for her ability to cool tensions with Moscow, also came under fire from ardent Lithuanian nationalists who consider her too soft on the Kremlin. The result, as liberals saw it, was a breakdown of authority tailor-made for Moscow to exploit.

A similar facedown was shaping up in Georgia. The ferociously independent Caucasus republic was ordered by Gorbachev to withdraw its police from the autonomous enclave of South Ossetia. While asserting their own right to go it alone, Georgians have clamped down vigorously on Ossetians venturing to break away from Georgia. Lawmakers in Tbilisi called Gorbachev's fiat "interference in the internal affairs of a sovereign republic."

Amid the swirl of gunshots and shouting, Gorbachev did manage to conciliate one important rival: Russian republic leader Boris Yeltsin, who agreed to increase his state's contribution to the central treasury from a tightfisted 23.4 billion rubles (\$13 billion) to 80 billion rubles (\$45 billion), though still short of its previous 60% share. In return, Yeltsin won concessions on budgetary accounting and greater control over the sprawling republic's enormous coal, natural gas and oil reserves. But Yeltsin withheld any endorsement of the troop deployments, arguing that "violence begets violence."

That view was reflected even more strongly in an *Izvestia* article by Georgi Arbatov, the noted Americanologist and former Gorbachev adviser. He warned that opponents of *perestroika* "have tried to exploit national discontent and worry to turn the clock back. They are trying to blackmail our parliament, politicians and even the President." If so, the principal blackmail victim was proving no mean shakedown artist himself.

—Reported by James Carney/Vilnius and John Kahan/Moscow



Unlikely heroes: a jubilant crowd cheers soldiers guarding the presidential palace

HAITI

General Without an Army

The military surprises an old Duvalier crony by siding with the government and crushing his coup attempt

President Ertha Pascal-Trouillot was at home with her family when an army tank driver knocked on her door at 10 p.m. As gunfire echoed in the distance, he told her there was trouble and that she would be safer at the presidential palace, three miles away in Port-au-Prince, the capital. On the way, the driver stopped to pick up a second passenger, a heavysset, balding man whom Pascal-Trouillot could not identify in the dark. Only after arriving at the palace did the President learn that her companion was Dr. Roger Lafontant, former head of the Tontons Macoutes militia, and that she was his hostage in a coup attempt.

Lafontant forced Pascal-Trouillot to resign and named himself provisional President. He told reporters that his putsch had the full backing of the military, blustering that President-elect Jean-Bertrand Aristide, the radical priest chosen by an overwhelming majority last month and scheduled to take office Feb. 7, was a "nobody."

But Lafontant, a gynecologist who was the muscle behind the regime of exiled dictator Jean-Claude ("Baby Doc") Duvalier from 1981 to 1985, turned out to be a general without an army. In an unprecedented gesture of support for democracy, the Haitian military, led by army Chief of Staff General Herard Abraham, declared its allegiance to the government. Less than 12 hours after the coup began, soldiers stormed the palace, freed Pascal-Trouillot and dragged off Lafontant and 15 of his henchmen in handcuffs.

The coup was quashed too late, however, to prevent a bloody and destructive outburst of public anger. A mob scaled the 10-ft.-high walls of Lafontant's Port-au-Prince

compound, killing a dozen suspected Tontons Macoutes holed up inside. Infuriated at what was seen as support for the coup makers by the conservative Roman Catholic hierarchy, crowds torched Haiti's 220-year-old cathedral and destroyed the Vatican embassy, stripping the papal nuncio down to his shorts before he was rescued and assaulting his chief aide with a machete.

By the time it was over, more than 70 people had been killed in four days of violence. Aristide helped to calm the rioting throngs by calling for "vigilance without vengeance." In hiding after several assassination attempts, he should benefit from the capture of his main enemy, which leaves the Macoutes without a central leader. But the public is still suspicious of the army's loyalties, and has demanded a search for Lafontant's accomplices.

The military's backing for the constitutional process was anything but certain when Lafontant initiated his coup. The swaggering ex-Interior Minister had defiantly returned from five years of exile in July, but the army had failed to act on a warrant for his arrest, even after he declared that Aristide would never take office as President. The defeat of the takeover attempt apparently owes a great deal to U.S. diplomacy. Ambassador Alvin Adams and other officials have spent months trying to convince the military that staying out of politics is in its best interest. When the soldiers heeded the advice last week and sent Lafontant packing, Adams called it a "glorious day for democracy." Aristide should now have his chance to halt Haiti's long spiral into chaos.

—By Michael S. Serrill
Reported by Bernard Diederich/Port-au-Prince

World Notes

SOMALIA

Plunging into Anarchy

The government has lost all control in Mogadishu, and chaos has taken over. Armed mobs, some of them renegade soldiers from President Mohammed Siad Barre's army, roam the city shooting and looting. Troops shouting "Allah Akbar!" (God is great!) invaded the Roman Catholic cathedral, drove the congregation out with tear gas and truncheons, then set fire to the building. An Italian priest who witnessed the attack said many worshippers were killed.

As rebel fighters from the

United Somali Congress called in reinforcements, the U.S., Italy and France flew 800 diplomats and other foreign residents to safety in separate rescue missions last week. Soldiers looted the American embassy as soon as the last helicopter took off. Reported Italian Ambassador Mario Sica, who left Saturday: "The city is being sacked as in the days of Genghis Khan."

Holed up with the remnants of his army, Siad Barre offered again last week to negotiate with the three main insurgent groups that have overthrown his 21-year dictatorship. A rebel spokesman in Rome said they "would not be that stupid." ■



Cash for the cache: a reliquary from the Quedlinburg treasure

GERMANY

A Ransom for Booty

If plunder is the price of defeat in war, what price recovery of the booty? An answer came last week in the controversial case of an American who "liberated" a cache of art treasures from the medieval town of Quedlinburg, where they were hidden by the SS at the end of World War II. The pieces, which include rare manuscripts and a reliquary reputed to contain a lock of hair from the head of the Virgin Mary, ended up back in G.I. Joe Meador's home in Whitewright, Texas. There they remained unnoticed until after Meador's

death in 1980, when his heirs tried to sell them.

Last year the German government reasserted its ownership, setting off a legal battle. Now it has decided to settle the dispute and pay the heirs \$1 million to recoup the artworks. Several museum curators criticized the decision. Robert T. Buck, director of the Brooklyn Museum, told the *New York Times*: "The timing is horrible as a lesson to every American G.I. There's a lot of art over there in Iraq." Klaus Maurice of the Cultural Foundation of the States in Germany, defended the deal his agency made. "Had we pursued the lawsuit," he argued, "the legal fees would have greatly exceeded the amount we agreed to pay." ■



Wanted: Zheng Xuguang got two years

CHINA

When Leniency Is Severity

Four years in jail is a stiff punishment for joining in a peaceful demonstration. Still, the seven individuals sentenced earlier this month to two- to four-year prison terms for their part in Beijing's 1989 Tiananmen Square protests got off relatively lightly. Ordinarily in China, their alleged crimes—ranging from spreading counter-revolutionary propaganda to subver-

sion—bring 10- to 15-year terms.

The trials, which were closed to reporters, were the first related to the Tiananmen affair; at least another 355 protesters are yet to have their day in court. In demonstrating leniency, the court was clearly influenced by international pressure to improve Beijing's record on human rights, which was blighted by

the massacre of protesters. Though many countries have rebuilt shattered ties with China, the country still suffers from a sharp drop in foreign investments and tourism.

Four of those recently sentenced were students who had been on the government's most-wanted list. But the real test of Beijing's commitment to leniency will come with the still unscheduled trials of the alleged masterminds of the Tiananmen demonstrations, including Chen Ziming and Wang Juntao. ■

YUGOSLAVIA

The More, The Messier

When the Serbian parliament found that it needed \$1.8 billion in cash last month, the ministers decided to get it the easy way—they printed it. The catch: the Serbians acted in secret, without the approval of the central Yugoslav government, and then went ahead and spent the money. When news of the economic maneuver broke last week, it threatened to topple the regime of federal Prime Minister Ante Markovic. The disclosure also jeopardized his badly needed economic reforms, which have emphasized a tight credit policy to control inflation.

Serbia's actions accelerated the disintegration of federal power in Yugoslavia, where ethnic and nationalist conflicts have been festering for months. Serbia, the largest and most populous of the republics, advocates a strengthening of the



Trading dinars for hard currency

federation. But Slovenia and Croatia are the most prosperous of the republics, and they have been threatening to secede if Yugoslavia is not transformed into a loose confederation of states. Last week's disclosures made them madder than ever. ■



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**Special
Report:
Crisis in
Banking**

Requiem for a Heavyweight

The Bank of New England rescue proves a marvel of efficiency but raises a disturbing question: How fair are big bailouts?

By JOHN GREENWALD

Call it a tale of two bank failures. When Boston-based Bank of New England Corp. collapsed last week, federal regulators rushed to bail out the region's fourth largest banking company (assets: \$22 billion). To prevent a run on deposits that could spread throughout troubled New England and beyond, Washington even stood behind deposits of more than \$100,000, the limit covered by federal insurance. But when the small, black-owned Freedom National Bank (assets: \$121 million) failed last November in New York City's Harlem, the Federal Deposit Insurance Corporation saw no risk of a widespread panic and let holders of large deposits suffer heavy losses. Stunned charities, churches and other customers lost \$11 million in accounts that exceeded the \$100,000 limit.

Such favored treatment for the customers of big banks was a heated issue last week, as consumers and politicians braced for a possible wave of new banking failures. "The situation is patently unfair—just plain wrong," said Henry Gonzalez, the Texas Democrat who heads the House Banking Committee. Concurred John Jacob, president of the National Urban League, which lost more than \$200,000 at Freedom National because of the government's double standard: "I think it is grossly discriminatory against banks that happen to be small." Amid the outcry, the FDIC said it was reviewing its policy at Freedom National.

The question of fairness could arise often this year if a prolonged Middle East war creates an oil-price shock and plunges the U.S. into a deeper recession. In a gloomy assessment of the banking

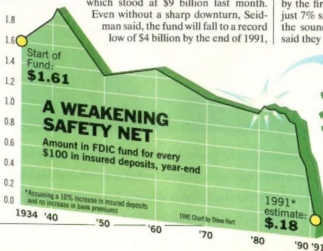


BOSTON Anxious customers endure the line outside a branch of the failed Bank of New England while waiting to withdraw their money from the institution

outlook, FDIC chairman L. William Seidman warned Congress last week that more big banks could go bust in 1991 unless the current recession is "short and shallow." A run of large failures would swiftly bankrupt the FDIC's deposit-insurance fund, which stood at \$9 billion last month. Even without a sharp downturn, Seidman said, the fund will fall to a record low of \$4 billion by the end of 1991,

as an estimated 180 banking firms fail.

For American savers, already reeling from the savings and loan debacle, the banking crisis has inspired rising anxiety about the safety of their money. In a TIME/CNN poll of 1,000 adults surveyed last week by the firm Yankelovich Clancy Shulman, just 7% said they felt very confident about the soundness of U.S. banks, while 59% said they were only somewhat confident or



not confident at all. Bigness is not necessarily reassuring: 52% said they had more faith in local banks than in larger ones, while 36% felt safer with their money in major institutions.

Few experts expect bank failures to come close to rivaling the S&L fiasco, which could cost taxpayers as much as \$1 trillion over the next 30 years. U.S. banks have a total of \$200 billion of capital to cushion losses, for example, while the S&L industry was virtually broke throughout the 1980s. Seidman told Congress that taxpayer funds would not be needed to finance bank bailouts under current economic conditions. But he added that "it is certainly not beyond the realm of possibility that taxpayer money will be needed" if conditions deteriorate sharply.

To help calm public fears, the Bush Ad-

ministration says, "when you limit insurance," says Lawrence White, a New York University economist who advocates bailing out all depositors at failed banks in the name of fairness.

In fact, the FDIC has consistently covered all depositors in large bank failures to prevent runs. "The government can get away with relatively small-scale pocket picking," says Bert Ely, a financial consultant based in Alexandria, Va. "But on a major scale you cannot do it. The consequences are just too significant."

Regulators moved swiftly last week to keep the failure at the Bank of New England Corp. from rippling through the region's ailing economy. They acted when nervous depositors withdrew \$800 million from the holding company's three major banks, including the flagship Bank of New England, after the firm predicted a loss of up to \$450

million in troubled banks in the hope of a rebound.

For its part, the FDIC hopes to sell the failed banks to a strong institution by the end of the year. But the agency will have to swallow up to \$6 billion of sour loans, and the messy task of liquidating them, to make the deal appealing to buyers. The FDIC said it was talking with six possible suitors for the banks, including Ohio's prosperous Banc One Corp. and San Francisco-based BankAmerica Corp., the second largest U.S. banking company behind Citicorp in New York City.

Many other banks could do well just to survive the recession. Troubled lenders include such giants as Citicorp, which expects to report a loss of up to \$400 million for the fourth quarter of 1990, and neighboring behemoths Chase Manhattan and Chemical Bank. While such firms seem un-



PROVIDENCE Depositors gather to protest the freezing of their accounts at a shuttered credit union



NEW YORK CITY Customers queue to collect their money following the November collapse of Harlem's 26-year-old Freedom National Bank

ministration is racing to prepare plans to reshape the U.S. financial system. The White House wants to make banks more profitable by scuttling laws that bar them from branching across state lines and diversifying into fields like the sale of securities. The Administration is also considering adding \$25 billion to the FDIC fund through a special assessment on banks or an increase in their insurance premiums—though that added cost could force some of the weakest institutions to go under.

The Bank of New England collapse may have ended prospects for a long-sought reform to limit federal-insurance coverage. The Administration and leading lawmakers want to restrict depositors to a total of \$100,000 in federal insurance per bank; in the S&L bailout, some big customers are being repaid the full \$100,000 for each of several accounts in a single institution. Yet any move to cut back this blanket coverage could lead to the type of bank panics that the FDIC sought to avert in New England. "You only exacerbate the problem of runs

million for the fourth quarter of 1990. On Jan. 6, a Sunday, the government seized the banks and said it would immediately pump in \$750 million as part of a \$2.3 billion bailout financed by the FDIC fund. The rescue covered more than \$2 billion in accounts worth more than \$100,000, and \$55 million in uninsured deposits at foreign branches.

While depositors kept their money, Bank of New England Corp. creditors and shareholders took a drubbing. Bondholders with a \$706 million stake in the company saw their portfolios shrink to about \$35 million, since the government now owned the firm's loans and most other assets. Owners of Bank of New England stock, which fell from \$9 a share a year ago to about 50¢ a share just before the bankruptcy, saw their investments vanish. The losers included CBS president Laurence Tisch and his brother Preston, who held some 500,000 shares they acquired last year as part of a contrarian strategy of investing

likely to fail, they could wind up as merger partners with other big banking companies. Experts are particularly gloomy about the prospect for banks in New England. According to Gerard Cassidy, who follows the industry for the investment firm Tucker, Anthony, as many as 24 of the region's medium-size banks with assets of as much as \$2 billion each could fail in 1991. Also under pressure is MNC Financial, a Baltimore-based banking company (assets: about \$27 billion) that lost \$241.9 million in the first nine months of last year.

For the U.S. banking system, 1991 will be the maximum-stress test. The extent of the pain will depend on such influences as the outcome of the Persian Gulf crisis. But with too many banks chasing too little business in a slumping economy, the industry is headed for contraction. How the government responds to the shake-out will determine the shape of U.S. banking for the rest of the 1990s—and beyond.

—Reported by
Robert Ajemian/Boston, Gisela Bolte/Washington
and Kathryn Jackson Fallon/New York

The Trail Boss of the Bailout

In command: a sharp-talking gunslinger straight out of Louis L'Amour



Interests far from finance: L. William Seidman relaxes with Irish wolfhound Prox at his home in the Georgetown section of Washington

By OTTO FRIEDRICH

Special Report: Crisis in Banking

At the age of 69, on the threshold of the biblical life-span of threescore years and ten, L. (for Lewis) William Seidman has reached the enviable state of not

having to prove anything to anybody. He does not need to make a lot of money because he's already a millionaire, with houses in Georgetown and on Nantucket and a 15,000-acre cattle ranch in New Mexico. He doesn't need to show he's fit because he still does 50 push-ups before work every morning. ("After you've done that, anything else for the rest of the day is a pleasure.") And as for his powerful position, just across the street from the White House, he can't be fired. President Bush very publicly tried to get rid of him last spring, but Seidman just as publicly stood his ground. This combination of confidence and courage is a very useful attribute because Seidman's main purposes are to sell off the charred debris of the S&L disaster and prevent any similar debacle from devastating the commercial banking system. About both problems he knows his own mind and freely speaks it.

As head of both the Federal Deposit Insurance Corporation and the Resolution Trust Corporation, Seidman holds what he calls "the biggest damn lousy job in the

country." Or to put it another way, it is "a combination of a garbage collector, an IRS agent and an undertaker." He was all those things last week as he took over the collapsing Bank of New England.

A risky venture, but Seidman (pronounced *seed-man*) is used to living dangerously. Just last June he was out riding on his ranch when his horse shied from an insect and started bucking. "Rather than get thrown off, I jumped off," Seidman later told a reporter. "I had a better chance to land right." The horse dragged him some distance, though, and Seidman had to undergo two operations to repair a fractured pelvis and hip. He still uses a cane but hopes to get rid of it soon.

Looking back, Seidman believes that probably the most important influence on his life was World War II. Fresh out of Dartmouth with his Phi Beta Kappa key in hand, he joined the Navy in 1943 and was assigned to a squadron of nine destroyers in the South Pacific; only two of the nine survived. "I thought I was really blessed to be alive when so many of my friends didn't come back," says Seidman. "The odds were pretty good that I wasn't coming back, so I thought I'd better enjoy myself and still do something for whoever it was that brought me back. I therefore had a somewhat different attitude than you would have if all you had done was gone to college and parted."

After earning a law degree from Har-

vard, Seidman returned to his native Michigan and got an M.B.A. at Ann Arbor. One focal point of youthful idealism in those days was Michigan's Governor George Romney, so Seidman served as his special assistant for financial affairs. After doing a turn in the family's accounting firm of Seidman & Seidman, he moved to Washington as President Ford's chief economic adviser. With the coming of Jimmy Carter, Seidman went back into business as vice chairman of the Phelps Dodge mining company, then headed the business school of Arizona State University at Tempe until he took over the FDIC in 1985. Of all his wanderings Seidman says with a wink, "I can't keep a job."

In those wanderings, Seidman became a master of both political infighting and self-promotion. He made many friends in Congress, partly because he never turned down requests to testify. When Seidman came under White House fire for excessive independence last spring, one appreciative Republican Congressman, Jim Leach of Iowa, said, "Bill Seidman is the Jane Pauley of American government." Like Pauley, Seidman has been very visible on TV lately, which he calls "getting your case before the public." Is there perhaps also a bit of the ham in him? Maybe not, but how many other short, bald, aged accountants have appeared in a Robert Redford movie? (One of Seidman's six children is a film director and got